FISCAL YEAR 2016 OPERATING BUDGET

FISCAL YEARS 2017 TO 2021 FINANCIAL PROJECTIONS







SEPTA REGIONAL RAILROAD
150
CATENARY REPLACEMENT
MILES
1999 2015





SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Southeastern Pennsylvania Transportation Authority for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Southeastern Pennsylvania Transportation Authority

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Pasquale T. Deon, Sr.

Vice-Chairman
Thomas E. Babcock

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Honorable Charles H. Martin

Chester County
Kevin L. Johnson, P.E.
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Delaware County
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Montgomery County
Kenneth Lawrence, Jr.
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Beverly Coleman
Rina Cutler

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Senate Majority Leader Appointee
Honorable Stewart J. Greenleaf

House Majority Leader Appointee
Honorable Mike Vereb

Senate Minority Leader Appointee
William J. Leonard, Esquire

House Minority Leader Appointee
John I. Kane

SEPTA Officers

General Manager
Joseph M. Casey

Chief Financial Officer/Treasurer
Richard G. Burnfield

General Counsel
Gino J. Benedetti, Esquire

Controller to the Board
Stephen A. Jobs

Secretary to the Board
Carol R. Looby

Southeastern Pennsylvania Transportation Authority
Courtesy • Cleanliness • Communication • Convenience

Chairman
Pasquale T. Deon, Sr.

Vice Chairman
Thomas E. Babcock

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Charles H. Martin
William M. McSwain
Michael A. Vereb

General Manager
Joseph M. Casey

To: Pasquale T. Deon, Sr., Chairman

From: Joseph M. Casey

Subject: Fiscal Year 2016 Operating Budget

Date: July 30, 2015

I am pleased to present to Board Members, customers, and stakeholders the Southeastern Pennsylvania Transportation Authority (SEPTA) Operating Budget for the period July 1, 2015 through June 30, 2016. The Fiscal Year 2016 Operating Budget totals $1.365 billion.

SEPTA continues to operate with strong fiscal discipline, responsible resource oversight and transparency. SEPTA has achieved 16 consecutive years of balanced budgets and received the Government Finance Officers Association (GFOA) Distinguished Budget Award for 10 consecutive years, confirming our commitment to openness and adherence to financial reporting best practices.

This Operating Budget provides for the everyday expenses of running SEPTA. The budget incorporates the negotiated wage increases with our bargaining units. Other notable increases include expenses for fringe benefits such as healthcare and prescription drugs. The FY 2016 budget preserves current fares and, importantly, maintains existing levels of service while making targeted investments in personnel to support critical system safety and capital improvement activities. Finally, it makes resources available for the permanent implementation of 24-hour weekend service on the Broad Street Line subway and Market-Frankford Line subway/elevated, which was launched as a pilot program last year.

The Operating Budget reflects the objectives of the Authority's Five Year Strategic Business Plan. Approved by the SEPTA Board in 2014, the Strategic Business Plan is the corporate roadmap for achieving SEPTA's operational commitment to safety, reliability and customer service excellence. The plan sharpens the Authority's strategic focus by establishing three unifying organizational principles – innovation, integration, and renewal – and defining business initiatives that will be advanced over the next five years. With ***innovation***, SEPTA seeks to apply business models that are adaptable to ever-changing technological and societal circumstances; ***integration*** aims to connect the region's mobility options; and ***renewal*** focuses on accelerating core infrastructure improvements and upgrades.

The operational benefit of this strategic thinking is most visible in SEPTA's ridership growth over the past decade. Since 2006, total annual passenger trips on SEPTA have increased by approximately 40 million. Regional Rail ridership has increased more than 50 percent over the past 15 years and set a record with 37.4 million passenger trips in Fiscal Year 2015.

We expect ridership to continue to grow. The region's unemployment rate is at its lowest level since April 2008, and the economy is gaining strength. A number of factors, including employment rates, gas prices and the transit-oriented mindset of young riders, have helped generate new customers. Moreover, ridership remains steady despite the recent drop in gasoline prices, invalidating the historical inverse relationship between gas prices and transit usage. SEPTA's capacity to retain riders is compelling evidence of the success of SEPTA's decade-long investment and Authority-wide commitment to improving the customer experience.

While labor represents the most significant and growing operating cost driver, SEPTA continues to implement cost-containment measures and identify new opportunities to generate alternative revenue. SEPTA and the Philadelphia District Attorney's Office continue to partner on an aggressive campaign to reduce fraudulent injury claims through the use of surveillance videos. By deploying more than 15,000 cameras for security and incident investigation purposes, the Authority has realized a more than 32 percent reduction in the cost of injury claims payouts. SEPTA also continues to explore station naming rights opportunities and innovative partnerships with respected corporate partners to expand revenue opportunities beyond the farebox and taxpayer dollars.

The Fiscal Year 2016 Operating Budget and Fiscal Years 2017 to 2021 Financial Projections budget reinforces our ongoing commitment to provide the five-county region with affordable, quality transportation that serves our riders and supports our world-class region.

The upcoming year will be unlike any other in SEPTA's history. In September, Philadelphia will host the Eighth World Meeting of Families and Pope Francis' first public Papal mass in the United States. More than two million attendees, including thousands of international visitors, are expected to attend the conference and Papal mass. Ten months later, in July 2016, thousands of Delegates and visitors from all fifty states will arrive in Philadelphia for the Democratic National Convention.

Our region was chosen to host these important events in large part because of SEPTA's extensive transit network and the demonstrated commitment of our more than 9,500 employees. The eyes of the world will be on Philadelphia, and SEPTA staff is already working with City and regional officials to ensure that both events are a resounding success.

SEPTA has become a leader in the transit industry thanks to innovative thinking, a solid business approach, and the commitment and dedication of our employees. Our ability to effectively serve customers and the region is possible only because of the steadfast support of the SEPTA Board and the elected officials representing southeastern Pennsylvania.

SEPTA FY 2016 Operating Budget
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SEPTA"sHistory

Greater Philadelphia has evolved into a vibrant center of economic growth in the country and the Southeastern Pennsylvania Transportation Authority's (SEPTA) multi-modal transit system has been a catalyst for this development; providing service to three states and giving riders in the region easy access to work, school, doctor's appointments, recreational outings and major shopping destinations. The policy makers' commitment to investing in transportation at the federal, state and local level has enriched the lives of residents, visitors and tourists.

SEPTA was created by the Pennsylvania General Assembly in 1964 as a solution to the need for a regional approach to transit, which would provide needed transportation for passengers, shared services to reduce expenses and greater access to financial markets to help maintain and build the system. On September 30, 1968, after five years of negotiations, SEPTA acquired the Philadelphia Transportation Company (PTC). PTC was created January 1, 1940 and was responsible for the operation of buses, trolleys, trackless trolleys and subway elevated lines: the Market-Frankford line and the Broad Street line in the Philadelphia area.



SECTION 1 8 XH — The Sunday Bulletin — PHILADELPHIA Sunday, Sept. 29, 1968

SEPTA to Take Over PTC Tomorrow To Cap Five Years of Negotiations

By EUGENE L. MEYER
Of The Bulletin Staff

Southeastern Pennsylvania Transportation Authority (SEPTA) will take possession of Philadelphia Transportation Co. at noon tomorrow.

In a ceremony in the sixth-floor conference room of the Philadelphia National Bank building, involving exchanges of checks and documents, the nearly five-year effort to acquire the nation's largest private transit firm will come to an end.

PTC is the first system to be acquired by SEPTA, a state agency formed in 1964 to develop and coordinate regional transportation.

The sale price is $47,938,884.36, somewhat less than the $48,227,990 negotiated, because about 8,000 of PTC's 1.7-million shareholders cashed in their stocks at market value, instead of waiting to be paid by SEPTA.

pel buttons immediately but replacement of PTC signs with SEPTA decals will be a more gradual process.

Tomorrow will mark the end of official positions for two transit officials and the beginning of new ones for some others.

Lyons, Reichel Out

Lyons will no longer be a part of PTC under SEPTA ownership. The resignation of M. J. Reichel, outgoing SEPTA general manager, becomes effective tomorrow.

Although about a dozen applications for Reichel's $45,000-a-year job have been received, no successor has yet been chosen.

A SEPTA board resolution, scheduled for approval tomorrow, provides for all PTC employes to retain their present positions, titles and salaries, except the officers.

David N. Phillips, PTC vice president and treasurer, will be-

PTC would asume the $17-million pension obligation, making the price about $38 million, or between $6 and $8 a share.

PTC appealed the Spaeth decision. In July, 1967, the State Supreme Court upheld the lower court. In September, it refused to reconsider its ruling.

In November, PTC appealed its case to the U. S. Supreme Court, but the high court refused to hear it.

Meanwhile, negotiations dragged on through fall and winter, until last February, when Tate brought the two sides together and successfully served as mediator.

The sale price agreed upon includes $22,451,608.46 to pay off PTC's funded debt, and $25,487,275.90 to pay PTC stockholders.

On March 15, both PTC and SEPTA boards agreed to the

In 1983, SEPTA was required to take over all operations of Conrail's passenger railroad to be integrated with the Authority's existing transit services. Conrail, which was federally funded, had originally assumed responsibility for the passenger services of the Pennsylvania Railroad and the Reading Company in 1976, which went bankrupt due to the decline in the demand for the transportation of coal, the introduction of superhighways and advanced air travel. After a difficult transition and a 108 day strike by Conrail railroad workers, SEPTA's Regional Rail Division was established. Over the past few years, Regional Rail has outpaced transit in annual ridership growth and is a critical component in Southeastern Pennsylvania's economic engine.

1. Introduction and Profile

INTEGRATING SOUTHEASTERN PENNSYLVANIA'S TRANSIT NETWORK

1964 Created by PA State Assembly

1968 Acquired Phila. Transp. Company (PTC)

1970 Acquired Phila. Suburban Transp. Company (Red Arrow)

1976 Acquired Schuylkill Valley Lines (Frontier)

1983 Acquired Former Penn Central and Reading Railroads

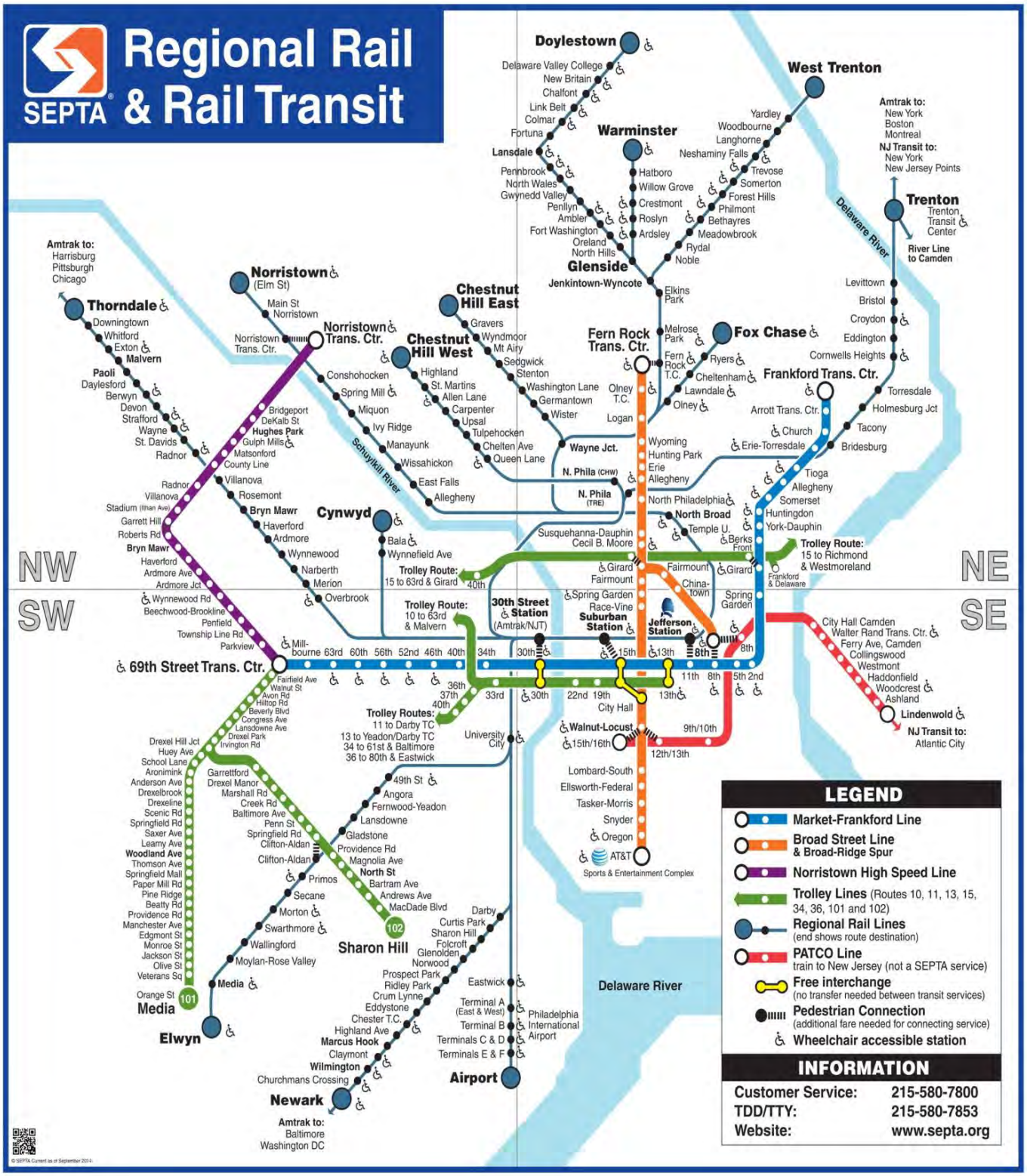
1984 Opened "Center City" Commuter Tunnel

1985 Opened Service on Airport Line

Today, more than 50 years after its creation by the Pennsylvania General Assembly, SEPTA is the nation's sixth largest transit system, with a vast network of fixed route services including bus, subway, trolley, trackless trolley and Regional Rail, as well as ADA paratransit and Shared Ride programs. This network provides service in Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties with connections into New Jersey and Delaware. SEPTA is also one of the region's largest employers, with a workforce of more than 9,000 employees.

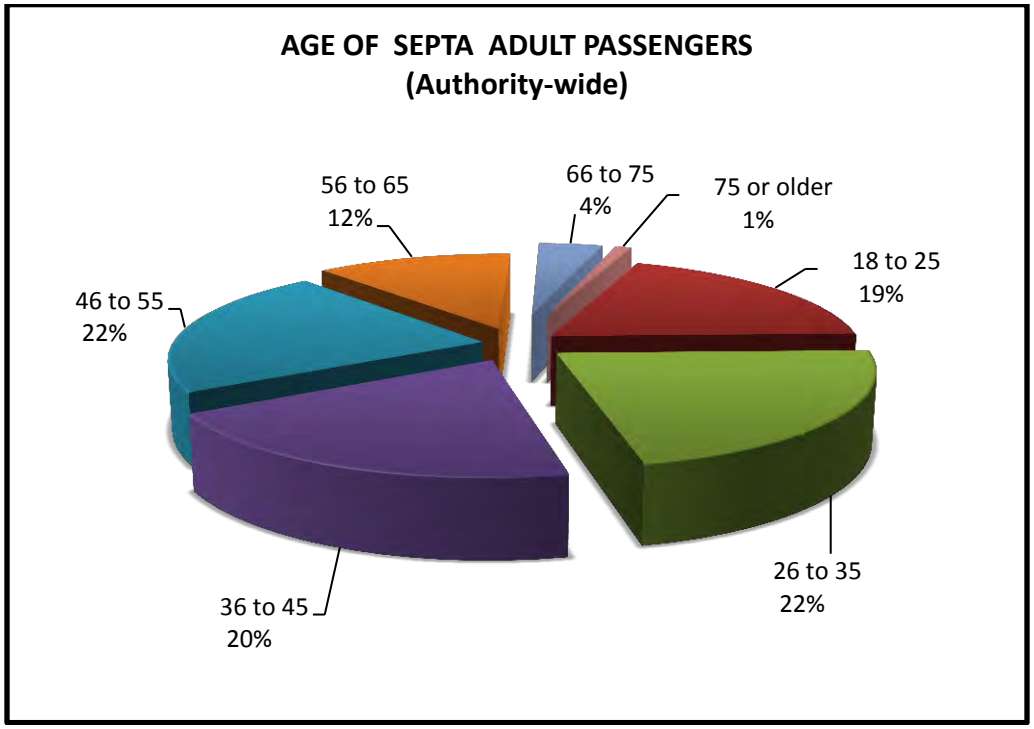


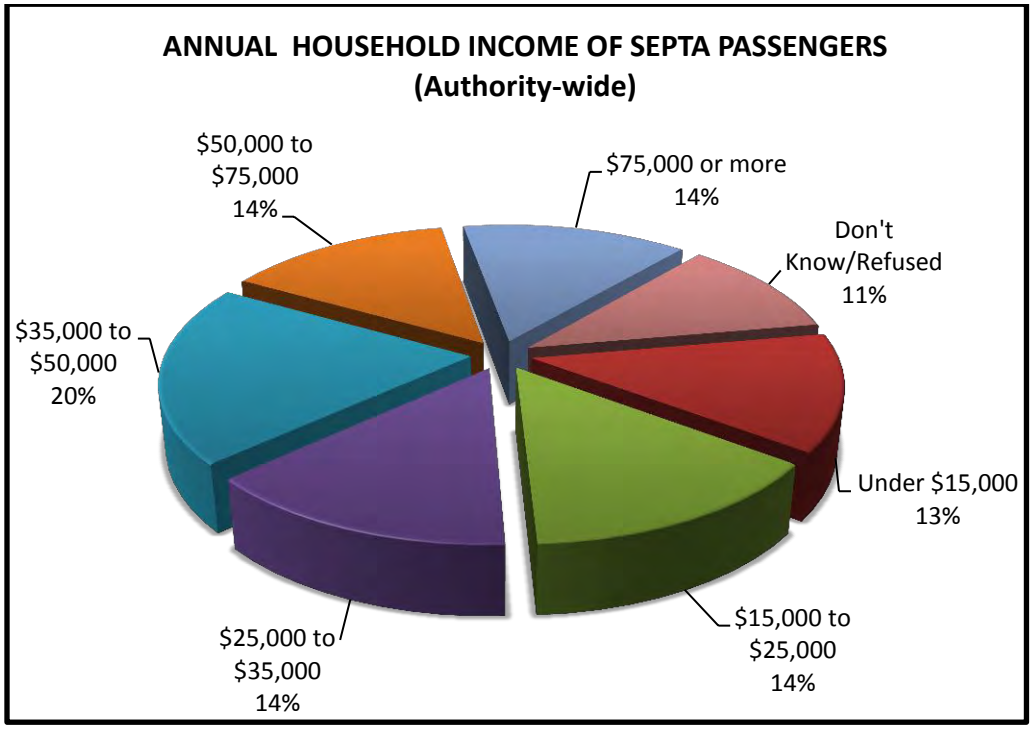
SEPTA SERVICE PROFILE AT A GLANCE				
	FIXED ROUTES	REVENUE VEHICLES	STATIONS & STOPS	ANNUAL TRIPS
BUS & TROLLEY BUS	121	~1,400*	13,100	164.5M
MARKET-FRANKFORD LINE	1	218	28	56.6M
BROAD STREET LINE	1	125	25	37.4M
REGIONAL RAIL	13	404	154	37.0M
TROLLEYS	8	159	600	28.5M
NORRISTOWN HIGH SPEED LINE	1	26	22	3.4M
ADA PARATRANSIT/SHARED RIDE	N/A	457	N/A	1.8M
**Exact number in flux as new buses are accepted and old vehicles are retired*				

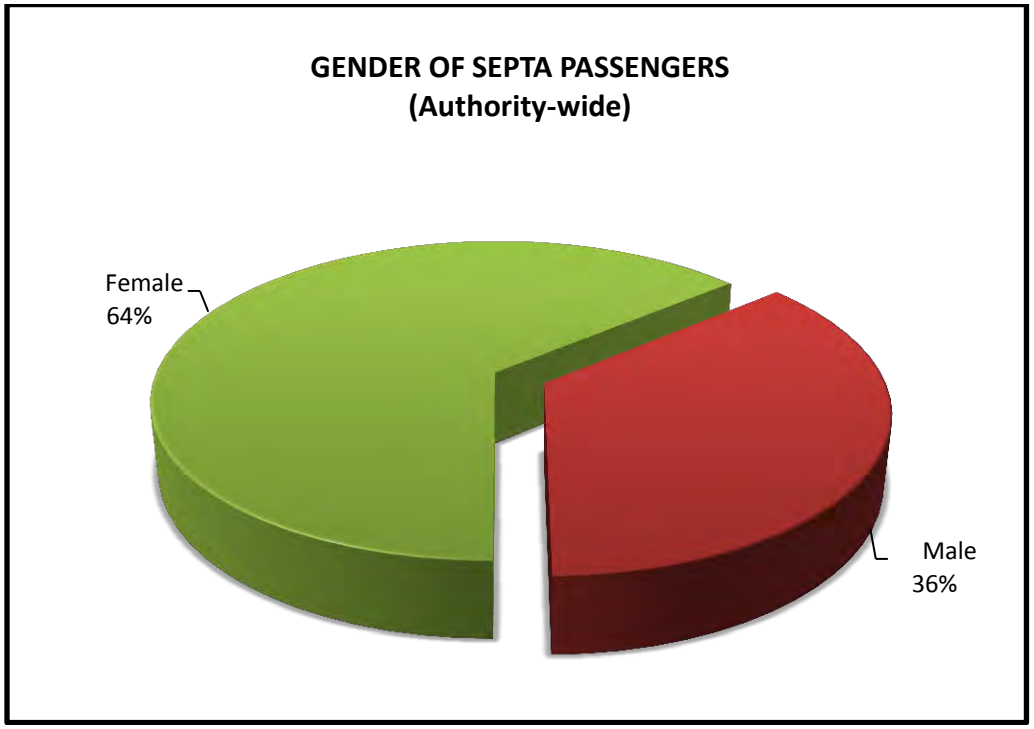

SEPTA
Regional Rail & Rail Transit
NW
NE
SW
SE
Doylestown
Delaware Valley College
New Britain
Chalfont
Link Belt
Colmar
Fortuna
Lansdale
Pennbrook
North Wales
Gwynedd Valley
Penllyn
Ambler
Fort Washington
Oreland
North Hills
Glenside
Jenkintown-Wyncote
Warminster
Hatboro
Willow Grove
Crestmont
Roslyn
Ardsley
Rydal
Noble
Elkins Park
West Trenton
Yardley
Woodbourne
Langhorne
Neshaminy Falls
Trevose
Somerton
Forest Hills
Philmont
Bethayres
Meadowbrook
Amtrak to:
New York
Boston
Montreal
NJ Transit to:
New York
New Jersey Points
Trenton
Trenton Transit Center
River Line to Camden
Delaware River
Levittown
Bristol
Croydon
Eddington
Cornwells Heights
Torresdale
Holmesburg Jct
Tacony
Bridesburg
Frankford Trans. Ctr.
Arrott Trans. Ctr.
Church
Erie-Torresdale
Fox Chase
Melrose Park
Fern Rock T.C.
Ryers
Cheltenham
Lawndale
Olney
Fern Rock Trans. Ctr.
Olney T.C.
Logan
Wayne Jct.
Wyoming
Hunting Park
Erie
Allegheny
N. Phila (CHW)
N. Phila (TRE)
North Philadelphia
North Broad
Temple U.
Berks
Front
Susquehanna-Dauphin
Cecil B. Moore
Tioga
Allegheny
Somerset
Huntingdon
York-Dauphin
Trolley Route:
15 to Richmond & Westmoreland
Frankford & Delaware
Girard
Fairmount
China-town
Spring Garden
Race-Vine
Jefferson Station
Suburban Station
30th Street Station (Amtrak/NJT)
Trolley Route:
10 to 63rd & Malvern
Trolley Route:
15 to 63rd & Girard
Chestnut Hill East
Gravers
Wyndmoor
Mt Airy
Sedgwick
Stenton
Washington Lane
Germantown
Wister
Chestnut Hill West
Highland
St. Martins
Allen Lane
Carpenter
Upsal
Tulpehocken
Chelten Ave
Queen Lane
Norristown (Elm St)
Main St
Norristown
Norristown Trans. Ctr.
Conshohocken
Spring Mill
Miquon
Ivy Ridge
Manayunk
Wissahickon
East Falls
Allegheny
Schuylkill River
Cynwyd
Bala
Wynnefield Ave
Wynnefield
Narberth
Merion
Overbrook
Amtrak to:
Harrisburg
Pittsburgh
Chicago
Thorndale
Downingtown
Whitford
Exton
Malvern
Paoli
Daylesford
Berwyn
Devon
Strafford
Wayne
St. Davids
Radnor
Bridgeport
DeKalb St
Hughes Park
Gulph Mills
Matsonford
County Line
Villanova
Rosemont
Bryn Mawr
Haverford
Ardmore
Wynnewood
Radnor
Villanova
Stadium (Ithan Ave)
Garrett Hill
Roberts Rd
Bryn Mawr
Haverford
Ardmore Ave
Ardmore Jct
Wynnewood Rd
Beechwood-Brookline
Penfield
Township Line Rd
Parkview
69th Street Trans. Ctr.
Millbourne
63rd
60th
56th
52nd
46th
40th
34th
30th
15th
13th
8th
11th
5th
2nd
36th
37th
40th
33rd
22nd
19th
City Hall
Walnut-Locust
15th/16th
9th/10th
12th/13th
University City
Fairfield Ave
Walnut St
Avon Rd
Hilltop Rd
Beverly Blvd
Congress Ave
Lansdowne Ave
Drexel Park
Irvington Rd
Drexel Hill Jct
Huey Ave
School Lane
Aronimink
Anderson Ave
Drexelbrook
Drexeline
Scenic Rd
Springfield Rd
Saxer Ave
Leamy Ave
Woodland Ave
Thomson Ave
Springfield Mall
Paper Mill Rd
Pine Ridge
Beatty Rd
Providence Rd
Manchester Ave
Edgmont St
Monroe St
Jackson St
Olive St
Veterans Sq
Orange St
Media
101
Media
Elwyn
Garrettford
Drexel Manor
Marshall Rd
Creek Rd
Baltimore Ave
Penn St
Springfield Rd
Clifton-Aldan
Clifton-Aldan
Primos
Secane
Morton
Swarthmore
Wallingford
Moylan-Rose Valley
Trolley Routes:
11 to Darby TC
13 to Yeadon/Darby TC
34 to 61st & Baltimore
36 to 80th & Eastwick
49th St
Angora
Fernwood-Yeadon
Lansdowne
Gladstone
Providence Rd
Magnolia Ave
North St
Bartram Ave
Andrews Ave
MacDade Blvd
102
Sharon Hill
Darby
Curtis Park
Sharon Hill
Folcroft
Glenolden
Norwood
Prospect Park
Ridley Park
Crum Lynne
Eddystone
Chester T.C.
Highland Ave
Marcus Hook
Claymont
Wilmington
Churchmans Crossing
Newark
Amtrak to:
Baltimore
Washington DC
Eastwick
Terminal A (East & West)
Terminal B
Terminals C & D
Terminals E & F
Airport
Philadelphia International Airport
Delaware River
Lombard-South
Ellsworth-Federal
Tasker-Morris
Snyder
Oregon
AT&T
Sports & Entertainment Complex
City Hall Camden
Walter Rand Trans. Ctr.
Ferry Ave, Camden
Collingswood
Westmont
Haddonfield
Woodcrest
Ashland
Lindenwold
NJ Transit to:
Atlantic City
LEGEND
Market-Frankford Line
Broad Street Line & Broad-Ridge Spur
Norristown High Speed Line
Trolley Lines (Routes 10, 11, 13, 15, 34, 36, 101 and 102)
Regional Rail Lines (end shows route destination)
PATCO Line train to New Jersey (not a SEPTA service)
Free interchange (no transfer needed between transit services)
Pedestrian Connection (additional fare needed for connecting service)
Wheelchair accessible station
INFORMATION
Customer Service: 215-580-7800
TDD/TTY: 215-580-7853
Website: www.septa.org

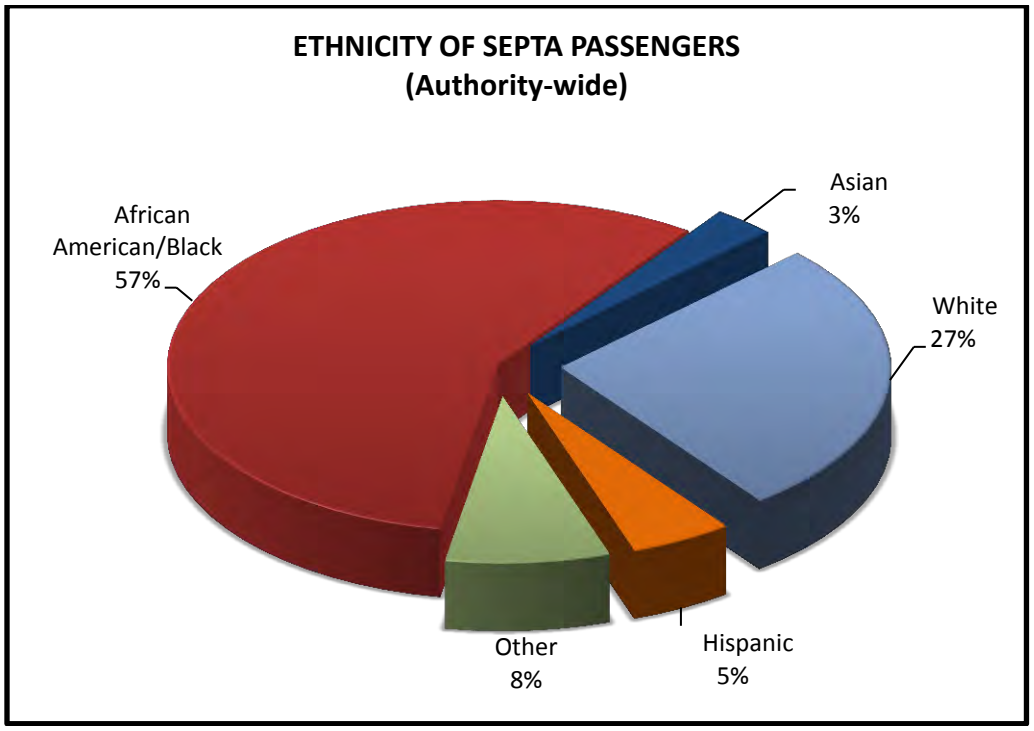
SEPTA Passengers

The following charts serve to illustrate the typical SEPTA customer. The demographic data was recorded and compiled as part of the SEPTA 2012 Customer Satisfaction Survey.





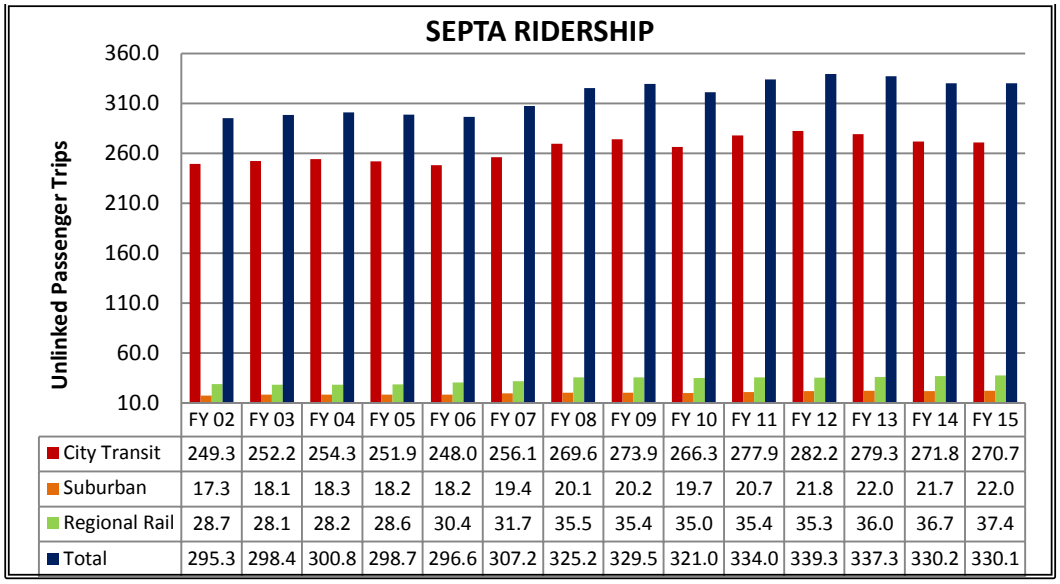

GENDER OF SEPTA PASSENGERS
(Authority-wide)
Female
64%
Male
36%


ETHNICITY OF SEPTA PASSENGERS
(Authority-wide)
African
American/Black
57%
Asian
3%
White
27%
Other
8%
Hispanic
5%

KEY Regional Transportation Trends

Transit Ridership

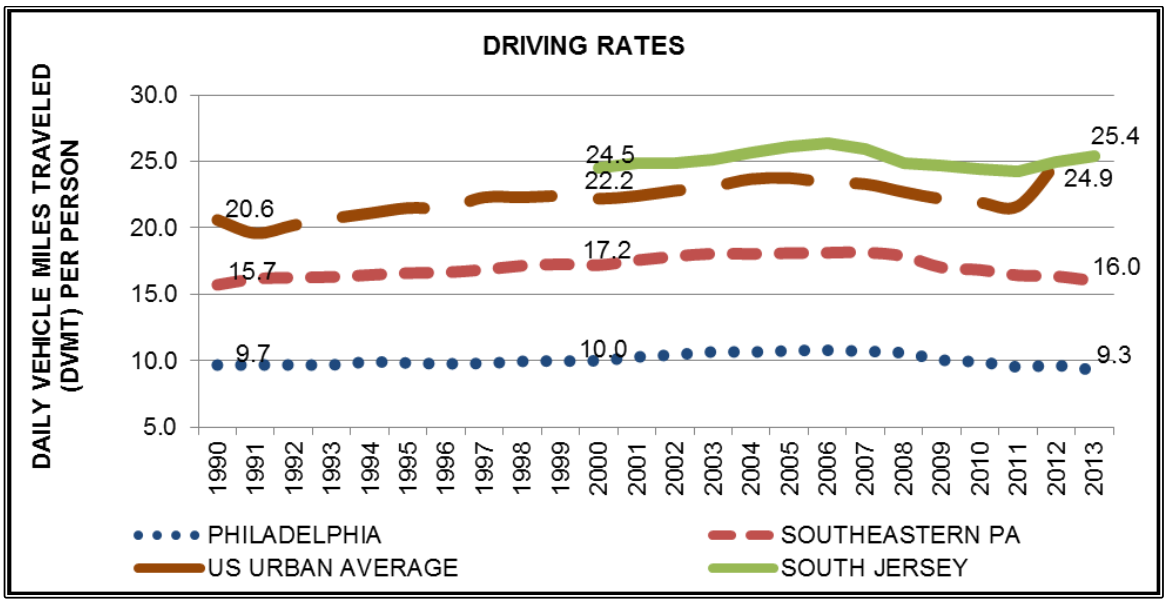
The renewed appreciation of transit's value to Southeastern Pennsylvania has manifested itself in increased use. SEPTA ridership is near quarter-century highs, with a slight dip in recent fiscal years due to extreme weather events.



	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
City Transit	249.3	252.2	254.3	251.9	248.0	256.1	269.6	273.9	266.3	277.9	282.2	279.3	271.8	270.7
Suburban	17.3	18.1	18.3	18.2	18.2	19.4	20.1	20.2	19.7	20.7	21.8	22.0	21.7	22.0
Regional Rail	28.7	28.1	28.2	28.6	30.4	31.7	35.5	35.4	35.0	35.4	35.3	36.0	36.7	37.4
Total	295.3	298.4	300.8	298.7	296.6	307.2	325.2	329.5	321.0	334.0	339.3	337.3	330.2	330.1

Driving Rates

Automobile use trends underscore the extent to which transit is increasingly becoming a mode of choice for residents of Southeastern Pennsylvania. As transit ridership has increased, driving rates have decreased. Historically, the City of Philadelphia and Southeastern Pennsylvania driving rates have been roughly one-third and two-thirds the national urban average, respectively. In recent years, as national driving rates have rebounded with improving economic conditions, driving rates locally have remained flat.



Strategic Business Plan for Fiscal Years 2015 through 2019

In July 2014, the SEPTA Board adopted a five-year Strategic Business Plan for Fiscal Years 2015 through 2019. The plan positions SEPTA to evaluate and take advantage of key trends that will allow SEPTA to be a public transportation system that meets the region's evolving transportation needs. The plan is available at www.septa.org/strategic-plan and represents a framework for all other SEPTA planning documents, including the Annual Operating Budget.

The framework is based on a vision, mission, core values and strategic objectives to guide organizational planning and development for the next five years:

VISION: To be the region's preferred choice for transportation, and to earn that choice by:

- Connecting the region for integrated mobility
- Sustaining our environment and preserving our system for future generations
- Committing to continuous improvement and innovation
- Providing safe, excellent service by a team of dedicated employees

MISSION: SEPTA is dedicated to delivering safe, reliable, sustainable, accessible, and customer-focused public transit services, contributing to the region's economic vitality, sustainability, and enhanced quality of life.

CORE VALUES:

For our service:

- Safe
- Reliable
- Sustainable
- Accessible
- Customer-Focused

For our people:

- Diverse
- Honest
- Creative
- Empowered
- Accountable

For our culture:

- Collaborative
- Constructive
- Respectful
- Engaging
- Transparent

These principles serve as a framework for approaches to pursue SEPTA's eight strategic objectives in the five-year plan:

- **Safety and Security**
- **Rebuilding the System**
- **The Customer Experience**
- **Ridership Growth**
- **Sustainability**
- **Business Partnerships**
- **Human Capital Development**
- **Emerging Technologies**



Balanced Scorecard of Key Performance Indicators (KPI)

SEPTA's Strategic Business Plan also establishes a ~~b~~balanced scorecard" approach to performance management. The Key Performance Indicators (KPIs) are designed to guide strategy development based on a quantitative evaluation of progress during plan implementation. The KPIs were carefully selected to represent meaningful measures of achievement towards strategic objectives across all business units. Progress updates on each KPI are posted monthly at www.septa.org/strategic-plan.

The balanced scorecard has six key focus areas:

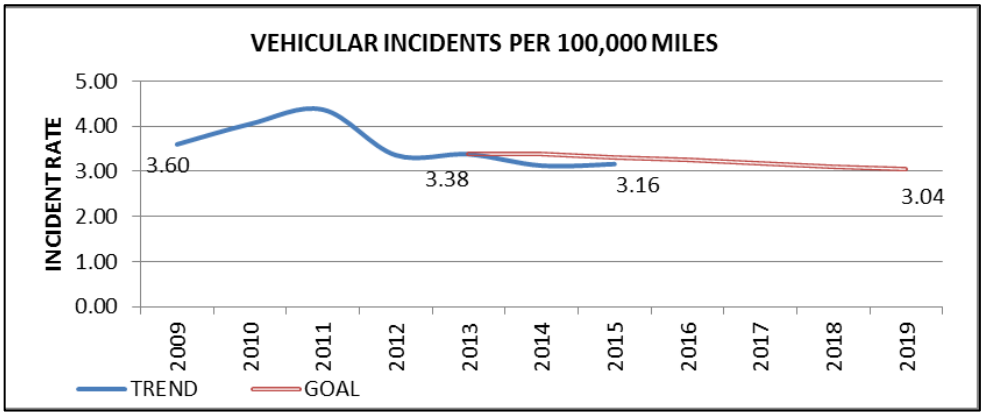
- Safety and Security
- Financial Efficiency
- The Customer Experience
- Resource Management
- Infrastructure State of Good Repair and Reliability
- Employee Growth

SAFETY and SECURITY: ***Goal Statement – To develop a safety-first culture that results in fewer customer and employee incidents.***

- Measures of Success

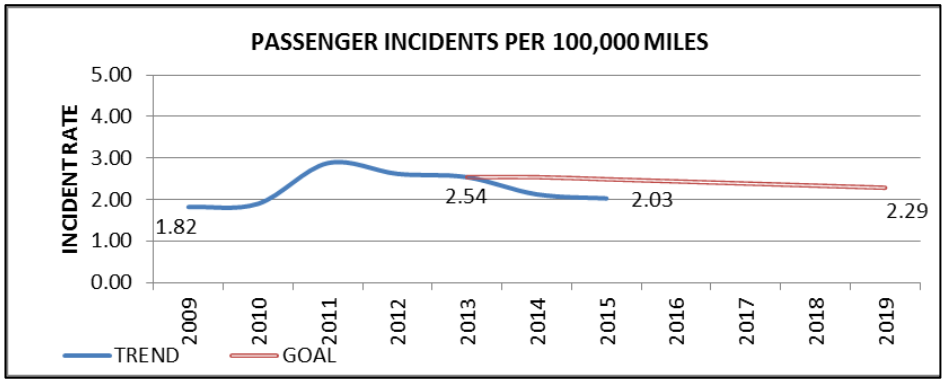
Vehicle Incidents per 100,000 Miles – Goal: 10% ↓ from FY2013 by FY2019

VEHICULAR INCIDENTS PER 100,000 MILES – BY MODE					
Reportable vehicle incidents divided by vehicle miles travelled times 100,000		FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SURFACE	City Bus	6.92	6.84	6.64	6.23
	City Trolley Bus	6.09	6.02	5.36	6.73
	Victory Bus	3.29	3.04	3.39	3.16
	Frontier Bus	1.53	1.91	1.43	1.08
	Norristown High Speed Line	0.00	0.00	0.00	0.00
	Callowhill Light Rail	10.90	15.37	11.98	12.80
	Elmwood Light Rail	2.98	2.99	3.85	3.23
	Media Sharon Hill Lines	3.46	4.69	5.12	5.28
RAIL	Broad Street Line	0.03	0.04	0.07	0.02
	Market-Frankford Line	0.04	0.03	0.05	0.01
	Regional Rail	0.05	0.04	0.03	0.02



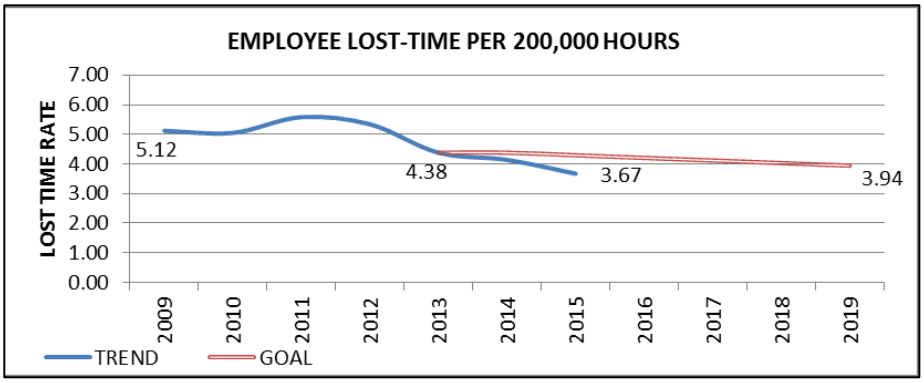
Passenger Incidents per 100,000 Miles – Goal: 10% ↓ from FY2013 by FY2019

PASSENGER INCIDENTS PER 100,000 MILES – BY MODE					
Reportable passenger incidents divided by vehicle miles travelled times 100,000		FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SURFACE	City Bus	4.91	4.83	3.74	4.50
	City Trolley Bus	6.31	4.78	4.20	5.23
	Victory Bus	3.09	2.72	2.32	3.79
	Frontier Bus	1.55	1.07	0.98	1.23
	Norristown High Speed Line	0.00	0.00	2.53	0.00
	Callowhill Light Rail	3.32	8.08	4.84	2.76
	Elmwood Light Rail	1.72	1.93	3.43	1.32
	Media Sharon Hill Lines	5.28	5.95	6.26	4.95
RAIL	Broad Street Line	0.25	0.27	0.62	0.33
	Market-Frankford Line	0.28	0.21	0.65	0.67
	Regional Rail	0.05	0.01	0.05	0.01



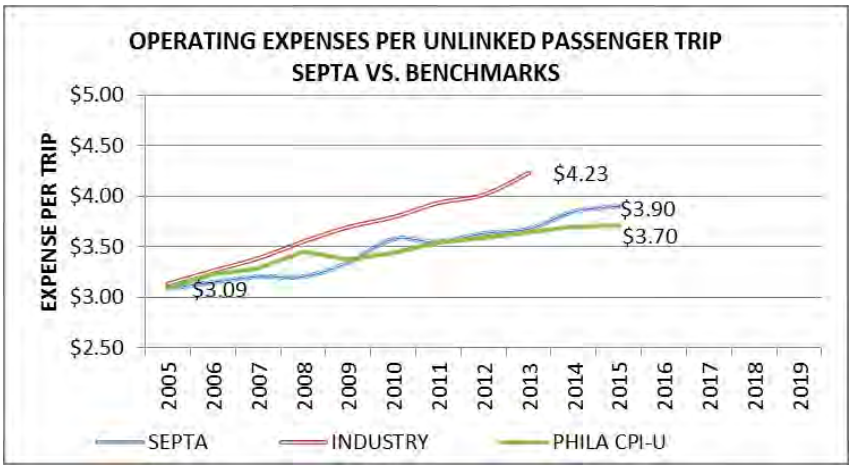
Employee Lost Time per 200,000 Hours – Goal: 10% ↓ from FY2013 by FY2019

EMPLOYEE LOST TIME INJURIES PER 200,000 WORK HOURS – BY DEPARTMENT				
Reported workplace injuries causing missed work divided by work hours times 200,000	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SURFACE TRANSPORTATION	6.38	7.19	5.88	6.61
VEHICLE MAINTENANCE – BUS	3.62	3.32	4.64	4.49
RAIL TRANSPORTATION	4.46	3.70	3.42	4.04
VEHICLE MAINTENANCE – RAIL	5.20	3.06	2.61	3.19
NON-OPERATIONS	2.10	1.79	1.69	1.48



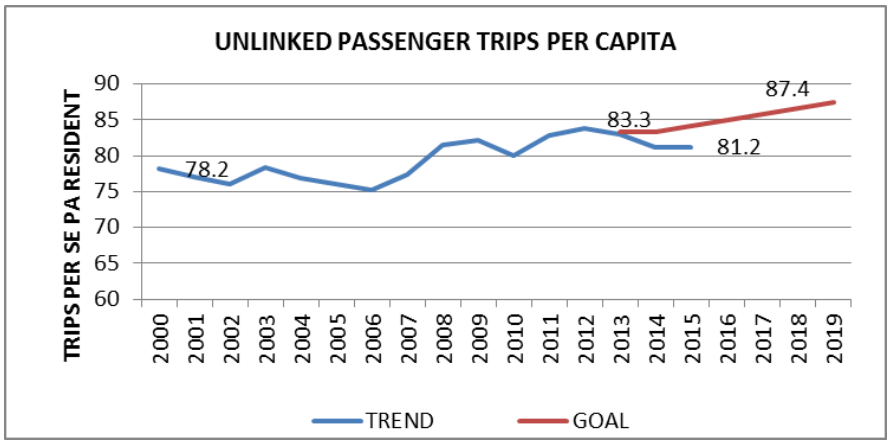
FINANCIAL EFFICIENCY: ***Goal Statement – To responsibly manage resources in a way that provides requisite budget stability to grow the system.***

- Measures of Success
 - ❖ Δ Operating Expenses per Unlinked Passenger Trips – Goal: Below Industry Average and Δ Consumer Price Index (CPI-U) for Philadelphia region each year through FY2019 ($4.08 for FY2016)



OPERATING EXPENSES PER UNLINKED PASSENGER TRIP (UPT)				
Total operating expenses divided by total unlinked passenger trips	**FY2013 ACTUAL**	**FY2014 ACTUAL**	**FY2015 ACTUAL**	**FY2016 GOAL**
OPERATING EXPENSES	$1,239.9	$1,270.4M	$1,287.7M	$1,364.7M
UNLINKED PASSENGER TRIPS (UPT)	337.3M	330.2M	330.1M	331.4M
OPERATING EXPENSES PER UPT	$3.68	$3.85	$3.90	$4.12

 - ❖ Unlinked Passenger Trips (UPT) per Capita – Goal: 5%↑ from FY2013 by FY2019 (82.3 for FY2016)



UNLINKED PASSENGER TRIPS (UPT) PER CAPITA				
Total unlinked passenger trips divided by total five county SE PA population	**FY2013 ACTUAL**	**FY2014 ACTUAL**	**FY2015 ACTUAL**	**FY2016 GOAL**
UNLINKED PASSENGER TRIPS (UPT)	337.3M	330.1M	330.1M	331.0M
REGIONAL POPULATION	4.06M	4.06M	4.06M	4.07M
UPT PER CAPITA	83.0	81.2	81.2	82.3

- **Other Measures**

 - **Route Utilization** – Measured based on three criteria: 1) Fully allocated cost; 2) Total passenger revenue (calculated at average fare); and 3) Operating ratio (passenger revenue divided by fully allocated cost). For more information, please refer to the Annual Service Plan (http://www.septa.org/strategic-plan/reports/asp15.pdf)
 - *City Transit Division (CTD):* According to the ~~"~~City Transit Division Service Standards and Process," adopted by the SEPTA Board in April 1995 and amended in March 2007: If a route performs below 60 percent of the CTD average route operating ratio, remedial action is taken. Fiscal Year 2014's financial results will be approved for action in Fiscal Year 2016. City Transit Division's average was 36% and the substandard performance mark was 21%.
 - *Suburban Transit Division (STD):* According to the ~~"~~Suburban Transit Division Service Standards and Process," adopted by the SEPTA Board in March 2007: If a route performs below 60 percent of the STD average route operating ratio, remedial action is taken. Fiscal Year 2014's financial results will be approved for action in Fiscal Year 2016. Suburban Transit Division's average was 24% and the substandard performance mark was 14%.
 - *Regional Rail Division (RRD):* According to the ~~"~~Regional Rail Service Standards and Process," adopted by the SEPTA Board in March 2007: If a route performs below 60 percent of the RRD average route operating ratio, remedial action is taken. Fiscal Year 2014's financial results will be approved for action in Fiscal Year 2016. Regional Rail Division's average was 50% and the substandard performance mark was 30%.

 - **Other Financial and Productivity Goals**

MEASURE	FY2016 GOAL
PUBLIC INFORMATION CALLS	**97.5%** or higher satisfactory response to calls for public information
SCHEDULED SERVICE REQUIREMENTS	**98%** or higher of service operated as scheduled
ACCESSIBILITY BY ELDERLY AND DISABLED	Achieve **100%** of total requests for ADA trips; **755,000** ADA City Division and **340,000** ADA Suburban trips are projected for FY2016; **788,000** Shared Ride trips are projected
VEHICLE MILES PER EMPLOYEE	**10,600** or more vehicle miles per employee (includes miles in contracted services, Shared Ride and ADA Paratransit)
PASSENGER MILES PER EMPLOYEE	**161,000** or more passenger miles per employee
ADMINISTRATIVE-TO-OPERATING EMPLOYEE RATIO	**1:20 ratio** between administrative employees and operating employees at the expense level of $1.36 billion (In computing this ratio, operating employees include all employees contained within the Operations Division as well as employees involved in fare media sales and distribution, operations trainers and Customer Service Agents)

❖ **Vehicles Per Mechanic** – A key staffing measure that establishes goals based on vehicle types reflecting the varying size, complexity and condition of each fleet – Goal Varies by Mode.

MINIMUM VEHICLES PER MECHANIC				
Note: Mechanics scheduled to work in SEPTA's Vehicle Overhaul Program not included	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
BUS & TRACKLESS TROLLEY	3.0	3.1	3.0	3.0
CITY TROLLEY	1.6	1.6	1.9	1.6
MARKET-FRANKFORD LINE	3.9	3.5	3.3	3.5
BROAD STREET LINE	1.8	2.0	1.8	2.5
MEDIA-SHARON HILL LINE	1.3	1.4	1.4	1.3
NORRISTOWN HIGH SPEED LINE	1.8	1.9	2.0	1.7
REGIONAL RAIL	1.6	1.7	1.6	1.6

THE CUSTOMER EXPERIENCE: ***Goal Statement – To provide best-in-class transportation services that meet or exceed customer expectations.***

- **Measures of Success**

❖ **Increase in Customer Satisfaction Rating** – SEPTA is scheduled to conduct a new Customer Satisfaction Survey in 2015. The most recent Survey, conducted in 2012, resulted in 1,616 interviews with adults and found an overall rating of 7.7 out of 10 (down slightly from 7.9 in 2010). The slight decline is partly attributed to the fact that 45 percent of respondents indicated they ~~-~~expect more from SEPTA" than they did in 2010. The next survey will be conducted in late 2015.

CUSTOMER SATISFACTION RATING – BY MODE			
	2008	2010	2012
SEPTA MODAL AVERAGE	7.2	7.9	7.7
REGIONAL RAIL	7.6	7.9	8.3
MARKET-FRANKFORD LINE	7.4	8.2	8.0
SUBURBAN TROLLEY	7.7	8.2	7.9
BROAD STREET LINE	7.3	8.0	7.9
CITY TROLLEY	6.8	7.8	7.5
VICTORY BUS	6.8	7.6	7.4
FRONTIER BUS	7.5	7.5	7.3
CITY BUS	6.6	7.4	7.0

In the interim, SEPTA has developed a series of complementary metrics under the auspices of a goal to improve the customer experience.

❖ **Commendations to Complaints Ratio – Goal: 10%↑ from FY2013 by FY2019**

COMMENDATIONS-TO-COMPLAINTS RATIO				
Total customer commendations divided by complaints received through all forms of media (mail, email, phone, web)	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
COMMENDATIONS	1,934	2,610	2,446	n/a
COMPLAINTS	35,353	37,130	41,056	
COMMENDATIONS-TO-COMPLAINTS	0.0547	0.0703	0.0596	0.0569

❖ **Service Reliability – On-Time Performance – Goal: 0-4%↑ (Varies by Mode)**

SERVICE RELIABILITY – ON-TIME PERFORMANCE					
Percentage of arrivals within 5 minutes, 59 seconds of schedule		FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SURFACE	City/Suburban Bus	76.6%	75.6%	78.9%	78.7%
	Victory Bus	76.1%	74.8%	78.8%	77.0%
	Light Rail	78.7%	75.2%	79.6%	79.0%
	Media-Sharon Hill Line	92.8%	91.6%	95.1%	94.0%
	Norristown High Speed Line	99.6%	99.7%	99.3%	98.0%
RAIL	Broad Street Line	99.2%	99.1%	99.2%	98.0%
	Market-Frankford Line	97.8%	98.0%	98.0%	98.0%
	Regional Rail	92.6%	90.1%	87.4%	92.0%

❖ **Communications Activity Index – Goal: 50%↑ from FY2014 by FY2019**

COMMUNI CATIONS ACTIVITY INDEX			
Composite index of activity on SEPTA's customer facing electronic communications platforms	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SEPTA.ORG PAGEVIEWS (PER 1K)	121,355	119,263	See goal below
@SEPTA_SOCIAL ACTIVITY	38,681	45,653	
MOBILE APP DOWNLOADS	114,280	149,452	
CONTROL CENTER TWEETS	24,529	28,068	
TOTAL ACTIVITY INDEX	298,845	328,729	348,614

❖ **Uptime of Mission Critical IT Systems – Goal: 99.99% Uptime**

UPTIME OF MISSION-CRITICAL IT SYSTEMS				
Percentage of time during which mission critical communication platforms are fully operational		FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SEPTA.ORG	Uptime (Hours)	8,953	8,969	8,993
	Total Time (Hours)	8,970	8,970	8,994
	Percent Uptime	99.81%	99.99%	99.99%
API/ REAL-TIME	Uptime (Hours)	8,952	8,850	8,993
	Total Time (Hours)	8,970	8,970	8,994
	Percent Uptime	99.79%	98.67%	99.99%

RESOURCE MANAGEMENT: ***Goal Statement – To implement best management practices that ensure SEPTA remains a sustainable, high-performance, outcome-driven agency.***

- **Measures of Success**

 - ❖ **Carbon Footprint – Goal: 10%↓ from FY2013 by FY2019**

CARBON FOOTPRINT				
Pounds of carbon dioxide equivalents (CO2-e) emitted divided by passenger miles travelled (compared with single-occupancy vehicle)	FY2013 ACTUAL	FY2014 ACTUAL.	FY2015 EST.	FY2016 GOAL
DIESEL (GAL)	15,032,836	14,882,311	14,955,482	See goal below
ELECTRICITY (MWH)	489,173	499,523	491,416	
GASOLINE (GAL)	2,047,099	2,391,193	2,397,055	
NATURAL GAS (CCF)	2,189,667	2,616,434	2,654,057	
HEATING OIL (GAL)	474,049	397,839	314,040	
STEAM (MLBS)	34,513	37,852	38,490	
TOTAL ENERGY (MMBTU)	4,175,984	4,268,783	4,244,244	
TOTAL EMISSIONS (CO2-E)	914.2M	934.5M	922.9M	
PASSENGER MILES (PMT)	1,591.9M	1,522.2M	1,475.0M	
EMISSIONS PER PMT	0.584	0.614	0.626	0.522

 - ❖ **Municipal Waste Diversion Rate – Goal: 20% by FY2019**

MUNICIPAL WASTE DIVERSION RATE				
Tons of recycled municipal waste divided by tons of total municipal waste	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 EST.	FY2016 GOAL
RECYCLED WASTE (TONS)	1,163	1,319	1,930	n/a
TOTAL WASTE (TONS)	8,563	9,448	8,840	n/a
DIVERSION RATE	13.6%	14.0%	18.0%	20.0%

 - ❖ **Procurement Turnaround Time – Goal: Varies by Size of Procurement**

PROCUREMENT TURNAROUND TIME				
Purchasing process efficiency within categories of procurements by dollar value	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
$0-25,000 (DAYS)	18	17	19	21
$25,001-100,000 (DAYS)	48	55	55	40
+$100,000 (VARIANCE TO GOAL)	n/a	6.7%	-1.3%	+/- 0%

INFRASTRUCTURE STATE OF GOOD REPAIR & RELIABILITY: ***Goal Statement – To reduce SEPTA's backlog of capital repair needs in a way that improves safety, reliability, capacity, and the customer experience.***

- **Measures of Success**

 - ❖ **Major Capital Project Deadlines Achieved Within 90 Days – Goal: 80%**

MAJOR CAPITAL PROJECT DEADLINES ACHIEVED WITHIN 90 DAYS				
Number of major project deadlines achieved within 90 days divided by total major project deadlines	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
MET DEADLINES	50	58	72	Note 1
TOTAL DEADLINES	59	70	84	Note 1
ACHIEVEMENT RATE	84.75%	82.86%	85.71%	80.00%

Note 1: Goal set on basis of actual deadlines met and will be reported in the next fiscal year.

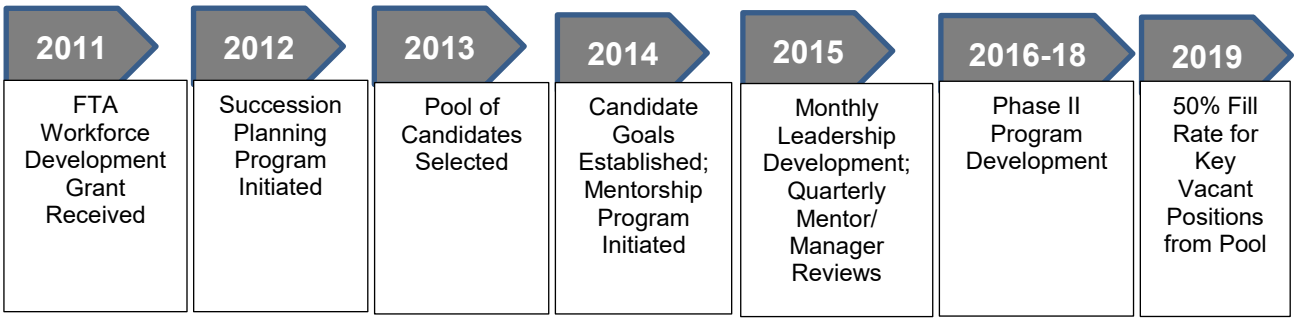
 - ❖ **Vehicle Reliability – Mean Distance Between Failures – Goal: 0-20% ↑ (Varies by Mode)**

VEHICLE RELIABILITY – MEAN DISTANCE BETWEEN FAILURES					
	Fleet miles travelled divided by mechanical failures requiring vehicle to be removed from revenue service	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 GOAL
SURFACE	City/Suburban Bus	7,954	7,420	Note 1	
SURFACE	City Trolley	5,634	6,358	6,795	6,500
SURFACE	Media-Sharon Hill Line	30,539	19,120	20,977	25,000
SURFACE	Norristown High Speed Line	45,802	42,863	41,468	35,000
RAIL	Broad Street Line	120,906	117,989	157,099	120,000
RAIL	Market-Frankford Line	58,357	70,942	93,032	80,000
RAIL	Regional Rail	55,683	44,775	38,157	50,000
Note 1: Mean distance between failures no longer reported for bus at modal level due to significant differences in performance between operating districts.					

EMPLOYEE GROWTH: ***Goal Statement – To attract, develop and retain a diverse, healthy and versatile workforce.***

- **Measures of Success**

 - **Fill Rate for Key Vacant Positions from Succession Pool – Goal: 50% by 2019**



 - **Continued Incremental Improvement from Ongoing Focus on Women and Minority Hiring Efforts – Goal: Varies by Category**

JOB CATEGORY	GOAL AREA	JULY 1, 2008	JULY 1, 2013	JULY 1, 2014	JULY 1, 2015	TARGET: JULY 1, 2019	GAP
MANAGEMENT (TOTAL: 1,106)	MINORITY	36.2%	39.3%	39.8%	42.0%	43.0%	1.0%
	WOMEN	14.5%	16.4%	16.9%	17.2%	19.0%	1.8%
PROFESSIONAL (TOTAL: 414)	MINORITY	32.6%	36.1%	38.1%	36.5%	40.0%	3.5%
	WOMEN	30.1%	34.8%	35.9%	36.0%	41.0%	5.0%

Budget Development
The first step of the budget development process begins with a meeting attended by the Operating Budget and Strategic Planning staff in November to discuss the key initiatives for the upcoming fiscal year. These initiatives are incorporated into each division's goals and funding is provided within the financial constraints determined by the Chief Financial Officer.

The next step in the process occurs in December with the preparation of a draft service projection for the following fiscal year. This is a collaborative effort between the Operating Budget and Service Planning Departments and results in a detailed service projection and Authority-wide expense projection by mid-January.

The Operating Budget Department then meets with personnel from each staff and operating department to review specific budget requirements and potential issues for the following fiscal year. Based on these meetings and the Strategic Planning Initiatives, the service projection may then be revised if necessary. Departmental expense levels are set accordingly and preliminary authorization letters and the budget database template are distributed to all departments in February or March.

Operating and staff department personnel then populate the Management Planning and Control (MPC) operating budget database template for submission. The Operating Budget Department reviews each submission and recommends corrections or revisions as necessary. The submissions are then compiled and the SEPTA Board is briefed.

Period for Public Comment
The Operating Budget Department publishes SEPTA's Operating Budget Proposal on the Authority's Website and distributes it publicly in mid-March, thus beginning the period for public comment, which is open until the end of April. SEPTA's Board Chairman appoints an independent hearing examiner to conduct public hearings in each of the five counties that SEPTA serves. Public hearings are then held in mid-April to inform the public and to solicit public comment on the proposal. SEPTA staff presents testimony and responds to questions from the public.

Adoption
The hearing examiner evaluates the SEPTA staff proposal together with public commentary and issues a report to the Board in late April. Included in this report are recommendations the hearing examiner may choose to make as a result of his review. The Board of Directors adopts a budget for the upcoming fiscal year at its regular May Board meeting on the fourth Thursday of the month.

Budget Amendment
Subsequent amendments to the budget would be handled in the same manner as the annual budget process. That is, budget amendments would be subject to the same three phases of the annual process: budget development, period for public comment and budget adoption.

Fiscal Year 2016 Budget Calendar
July 1, 2015 to June 30, 2016

S	M	T	W	TH	F	S		DAYS
JULY 2015								
								CUM
			1	2	3	4	25	
5	6	7	8	9	10	11	25	
12	13	14	15	16	17	18		
19	20	21	22	23	24	25		

S	M	T	W	TH	F	S		DAYS
JANUARY 2016								
27	28	29	30	31	1	2		CUM
3	4	5	6	7	8	9	28	
10	11	12	13	14	15	16	207	
17	18	19	20	21	22	23		

AUGUST 2015								
26	27	28	29	30	31	1		
2	3	4	5	6	7	8	35	
9	10	11	12	13	14	15	60	
16	17	18	19	20	21	22		
23	24	25	26	27	28	29		

FEBRUARY 2016								
24	25	26	27	28	29	30		
31	1	2	3	4	5	6	28	
7	8	9	10	11	12	13	235	
14	15	16	17	18	19	20		

SEPTEMBER 2015								
30	31	1	2	3	4	5		
6	7	8	9	10	11	12	28	
13	14	15	16	17	18	19	88	
20	21	22	23	24	25	26		

MARCH 2016								
21	22	23	24	25	26	27		
28	29	1	2	3	4	5	35	
6	7	8	9	10	11	12	270	
13	14	15	16	17	18	19		
20	21	22	23	24	25	26		

OCTOBER 2015								
27	28	29	30	1	2	3		
4	5	6	7	8	9	10	28	
11	12	13	14	15	16	17	116	
18	19	20	21	22	23	24		

APRIL 2016								
27	28	29	30	31	1	2		
3	4	5	6	7	8	9	28	
10	11	12	13	14	15	16	298	
17	18	19	20	21	22	23		

NOVEMBER 2015								
25	26	27	28	29	30	31		
1	2	3	4	5	6	7	35	
8	9	10	11	12	13	14	151	
15	16	17	18	19	20	21		
22	23	24	25	26	27	28		

MAY 2016								
24	25	26	27	28	29	30		
1	2	3	4	5	6	7	35	
8	9	10	11	12	13	14	333	
15	16	17	18	19	20	21		
22	23	24	25	26	27	28		

DECEMBER 2015								
29	30	1	2	3	4	5		
6	7	8	9	10	11	12	28	
13	14	15	16	17	18	19	179	
20	21	22	23	24	25	26		

JUNE 2016								
29	30	31	1	2	3	4		
5	6	7	8	9	10	11	33	
12	13	14	15	16	17	18	366	
19	20	21	22	23	24	25		
26	27	28	29	30				

2. Budget Process

Key Activities	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015
Operating Budget Staff Meeting to discuss priorities and Strategic Plan Initiatives for the upcoming year										
Develop draft service projection based on current service and FY16 levels										
Meetings with SEPTA's operating and staff departments										
Develop overall and department projections										
Schedule Public Hearings										
Budget Update Presentation to GM Team										
Operating and Staff Departments submit budget data to Budget Department for review										
Adjust overall and departmental projections										
Revise Service Projections as necessary										
All divisions/departments input final detailed budget into Management Planning and Control Software (MPC)										
Review first draft of FY16 Operating Budget Proposal										
Public Hearing Notice to press relations										
Prepare Public Hearing Testimony										
Public Hearing Notice published /Location Postings/RICB Broadcast/Internet Posting/Distribution										
Publish and distribute FY16 Operating Budget Proposal										
Period for public comments										
Distribute preliminary budget authorization letters to all Staff and Operating Departments										
Public Hearings in City of Philadelphia and Suburban counties										
Report from the Hearing Examiner										
Board Budget Committee Briefing										
Board adopts FY 2016 Operating Budget										
Final budget adjustments to MPC										
Publish Final FY 2016 Budget Book										

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3. Fiscal Year 2016 Assumptions & Consolidated Budget

This document presents the Fiscal Year 2016 Operating Budget. Fiscal Year 2014 and Fiscal Year 2015 actual results are utilized for comparison throughout this document.

Service

The Fiscal Year 2016 Operating Budget of $1.36 billion in operating expenses includes proposed enhancements to transportation service as compared to Fiscal Year 2015.

Revenue

Passenger revenue is projected to increase by $4.9 million or 1.0% over FY 2015 actual results in FY 2016 and ridership is projected to slightly increase. Other Income is expected to increase 1.2%.

Expenses

Expenses total $1.36 billion.

State and Local Subsidy

Fiscal Year 2016 state and local subsidies include a grant from the Pennsylvania Public Transportation Trust Fund. Act 44 of 2007 established the trust fund and Act 89 of 2013 amended Act 44. These acts dedicate state funding for public transportation agencies across the Commonwealth of Pennsylvania. Trust fund grants are required to be matched locally at 15%. Total State Operating Subsidy for FY 2016 is $615.5 million, with a Local Match of $92.3 million.

The Commonwealth also provides 20% or $6.5 million for funding Amtrak Lease expenses and funding of $1.2 million to fund lease expenses for copiers and radio antennas. In addition, funding of $32.7 million is also provided by the Commonwealth for Debt Service on bonds with a Local Match of $1.1 million provided by the five counties.

Federal Subsidy

Federal Preventive Maintenance for Fiscal Year 2016 will increase slightly to $36.8 million. This category also includes Federal Capital Lease Subsidy of $26.8 million and Capital Debt Service of $8.5 million.

3. Fiscal Year 2016 Assumptions & Consolidated Budget

Amounts in Thousands ('000)		FY 2016 Budget
REVENUE		
Passenger Revenue	$	481,199
Shared Ride Program		18,900
Other Income		34,413
Investment Income		1,250
TOTAL OPERATING REVENUE	**$**	**535,762**
EXPENSES		
Labor and Fringe Benefits	$	984,181
Materials and Services		256,227
Injuries & Damage Claims		31,200
Propulsion Power		34,500
Fuel		37,000
Vehicle and Facility Rentals		3,568
OPERATING EXPENSE	**$**	**1,346,676**
Depreciation/Contributed Capital	$	18,285
TOTAL EXPENSES	**$**	**1,364,961**
DEFICIT BEFORE SUBSIDY	**$**	**(829,199)**
SUBSIDY SOURCE		
Federal	$	78,994
State		654,019
Local		92,996
Other		3,190
TOTAL SUBSIDY	**$**	**829,199**
SURPLUS/(DEFICIT)	**$**	**-**

FINANCIAL PLANNING POLICIES

Balanced Budget
The Board adopts a balanced budget or short term operating spending plan, before the start of each fiscal year in accordance with the enabling legislation of the Commonwealth of Pennsylvania. A balanced budget is one in which expected operating revenues and subsidies equal expected operating expenses. When a deviation from a balanced budget is foreseen or occurs, this is reported as an operating surplus or deficit.

Fiscal Year
The Southeastern Pennsylvania Transportation Authority's budget is prepared on a fiscal year basis, beginning July 1 and ending June 30, which is consistent with the financial statements.

Basis of Financial Reporting and Budgeting
The Authority's annual financial statements are prepared using the economic resources measurement focus and the accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from the Authority's principal operation of providing passenger transportation service. The principal operating revenues are passenger fares and the principal operating expenses are related to the delivery of passenger transportation.

The budget is prepared on a similar basis as the annual financial statements, with the following exceptions:

- The budget includes depreciation net of amortization of contributed capital, while the annual financial statements report gross depreciation. Amortization of contributed capital has been replaced in the annual financial statements by capital grant funding.

- The budget includes a resultant Surplus or Deficit, while the annual financial statement reports a Change in Net Position.

- The budget includes investment income in operating revenue, while the annual financial statements treat this item, and all other subsidies, as non-operating. Conversely, route guarantees classified as operating revenue commencing in Fiscal Year 2013 in the annual financial statements continue to be classified as an operating subsidy within the budget. Additionally, interest expense is treated as non-operating in the annual financial statements.

- The net actuarially determined post-employment benefit obligation recognized under Government Accounting Standards Board (GASB) Statement No. 45, which was implemented by the Authority in Fiscal Year 2008, has been excluded from budgeted expenses. The expense impact of the annual unfunded premium liability change under GASB 68, will be implemented by the Authority in Fiscal Year 2015 and will also be excluded from budgeted expenses. Such costs are included in operating expenses in the annual financial statements.

Long Range Planning

SEPTA continually assesses the consequences of national, state and local demographic, economic, travel and development trends for SEPTA's current and future operations, services and capital projects. This assessment includes the evaluation of current and potential service levels in accordance with SEPTA's Annual Service Plan and the City Transit, Suburban Transit and Regional Rail Service Standards and Processes. This assessment forms the backdrop for SEPTA's long range planning and the basis for the five-year financial projections which are included in the adopted budget for each fiscal year.

Asset Management

SEPTA has established an internal control structure to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Procurement and Supply Chain Management Department of the Business Services Division handles the purchase, lease, sale, and disposal of parts, equipment, supplies, repairs, and services utilized by the Authority. This includes the coordination and enforcement of federal, state and local funding agency regulations for all approved capital expenditures. The principal areas of responsibility include compliance and support services, contract administration, purchasing, resource control and production control. The specific function of this group is further defined in the departmental section of this budget document.

REVENUE POLICIES

Revenue Diversification

The Authority continues to explore areas for revenue diversification and enhancement to supplement passenger revenue and subsidies. Such enhancements shall include, but not be limited to, developing new business and community partnerships, expanding the advertising program, selling naming rights of transit stations, identifying opportunities to serve new markets and pursuing parking initiatives to increase ridership and parking revenue.

Fees and Charges

The Authority's fare structure has been implemented in accordance with legislation established by the Legislature of the Commonwealth of Pennsylvania and applicable federal legislation. Changes to SEPTA's fare structure are subject to the guidelines established by this legislation, including a public hearing process.

One-time Revenues

The Authority has adopted a policy whereby it does not rely on one-time revenues of any sort to finance ongoing operations.

Unpredictable Revenues

There are no major revenue sources that the Authority believes to be unpredictable in nature. The Authority has adopted a policy whereby it does not rely on unpredictable revenues of any sort to finance ongoing operations.

EXPENDITURE POLICIES

Accountability
All divisions within SEPTA are expected to adhere to budgeted guidelines. Managers are held accountable for operating within their authorized budget.

The spending plan is based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done at the management center level and managers are provided with detailed variance reports on a monthly basis.

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The Strategic Planning and Analysis group within the Finance and Planning Division conducts assessment of various SEPTA operations and recommends structural changes when deemed appropriate and will process changes necessary to ensure SEPTA operates as efficiently as possible. In addition, the Authority's Internal Audit Department and numerous outside agencies, many of whom supply SEPTA with funding, regularly audit the Authority.

The Authority has established a policy of comparing actual expenditures to budget on a monthly basis for both operating and capital expenditures. For capital expenditures, this reporting is handled by the Project Control Department of the Engineering, Maintenance and Construction Division. For operating expenditures, reporting is handled jointly by the Operating Budget and General Accounting Departments of the Finance and Planning Division. In addition, each operating and staff department is responsible for periodic reporting and analysis of expenditures. Actions to bring the budget into balance are implemented by the General Manager, with input from staff. Actions such as fare increases or significant service changes require Board approval.

Service Stabilization Accounts
The Authority has adopted a policy to maintain a prudent level of financial resources to protect against the need to reduce service levels or increase fares due to revenue/subsidy shortfalls and/or unanticipated one-time expenditures.

Revenue Refunding Bonds

The Revenue Refunding Bonds are limited obligations of the Authority and the principal and interest thereon are payable solely from the revenues received by the Authority from the Pennsylvania Consolidated Statutes, including all moneys distributed to the Authority from the Public Transportation Assistance Fund created under Article XXIII of the Pennsylvania Tax Reform Code of 1971, as amended.

On July 18, 2007, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2007-44 (~~A~~Act 44"), which, effective July 1, 2007, among other things, (a) repealed 74 Pa C.S. Ch. 13 (which included Section 1310); and (b) provides, in pertinent part that, notwithstanding such repeal, (i) the PTA Fund shall continue to receive the revenue the PTA Fund was entitled to receive on June 30, 2007, (ii) despite the repeal of 74 Pa. C.S. Ch. 13 and, in particular, Section 1310, transit entities that have outstanding obligations shall continue to receive money from the PTA Fund calculated and paid in the same manner as was provided on June 30, 2007, and (iii) money remaining in the PTA Fund after amounts are disbursed as described in (ii) above shall be transferred monthly to the Public Transportation Trust Fund established under 74 Pa. C.S. Ch. 1506.

The Authority, as a transit entity under Act 44, will continue to receive amounts distributed from the PTA Fund that are calculated and paid in the same manner as was prescribed prior to the repeal of Section 1310.

On November 25, 2013, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2013 – 89 (~~A~~Act 89"), which increased available Capital funding for transportation in FY 2014. Act 89 has no effect on the amounts that the Authority is otherwise entitled to receive under Act 44 for repayment of its Revenue Refunding Bond obligations.

The Authority's policy is to issue debt periodically to supplement federal and state grants in support of the Authority's capital plan. There are no requirements to establish legal debt limits.

In March 2007, the Authority issued $131.7 million of Variable Rate Revenue Refunding Bonds, Series of 2007. The net proceeds from the sale of the 2007 Bonds were used to currently refund the Authority's outstanding Special Revenue Bonds, Series of 1997 and to pay the premium for a debt service reserve fund insurance policy. The net proceeds of the 1997 bonds had been used to reimburse the Authority for a portion of the costs of certain capital projects; refund certain leases entered into by the Authority for a building and related equipment; pay the costs of certain capital projects and pay the premium for a debt service reserve fund insurance policy. In December 2012, the Authority converted the $97.95 million remaining outstanding principal amount of the 2007 bonds from the Daily Rate Mode to the Indexed Mode.

In October 2010, the Authority issued $222.5 million Revenue Refunding Bonds, Series of 2010 due in varying amounts through 2028, with annual interest rates ranging from 2% to 5%. The net proceeds from the sale of the 2010 Bonds, together with other funds of the Authority, were used to (a) currently refund the outstanding principal amount of the 1999 Special Revenue Bonds, Series A and Series B, (b) fund the termination payments and accrued amounts payable in connection with the termination of certain swap agreements and, (c) fund certain costs and expenses incurred in connection with the issuance and sale of the 2010 Bonds. The net proceeds of the 1999 Bonds had been used to finance a portion of the Market-Frankford subway-elevated line vehicle acquisition program; refinance a bridge loan for payment of a portion of the vehicle acquisition program; refund $73.2 million of the 1995A Bonds; reimburse the Authority for a portion of the costs of certain capital projects and pay a portion of the premium for a debt service reserve fund insurance policy.

Capital Grant Receipts Bonds

On August 16, 2011, the Authority issued $201.6 million of Capital Grant Receipts Bonds, Series 2011 due in varying amounts through 2029 with annual interest rates ranging from 3% to 5%. The net proceeds from the sale of the 2011 Capital Grant Receipts Bonds are being used to (a) finance the acquisition of 116 Silverliner V Regional Railcars, (b) finance the rehabilitation of Wayne Junction Intermodal Facility, (c) fund a deposit to the Debt Service Reserve Fund, and (d) fund certain costs and expenses in connection with the issuance and sale of the 2011 Bonds.

The Capital Grant Receipts Bonds, Series 2011 are limited obligations of the Authority and are payable solely from and secured solely by (I) all amounts received by the Authority from the "Grant Receipts", (II) amounts on deposit in certain funds and accounts established under the Indenture, including investment earnings thereon, and (III) any and all other moneys and securities furnished from time to time to the Trustee by the Authority. Grant Receipts consist of all amounts received by the Authority after the date of issuance of the 2011 Bonds from its share of FTA Section 5337 State of Good Repair Funding, and for each Federal Fiscal Year thereafter. FTA Section 5337 State of Good Repair Funding is the successor to FTA Section 5309 Fixed Guideway Modernization Formula Funding.

New Payment Technology Loan

On March 29, 2012, the Authority entered into an agreement with PIDC Regional Center LP XXVIII for a low cost, construction-like loan for an amount not to exceed $175 million to fund the SEPTA Key project. The SEPTA Key project will modernize SEPTA's current fare payment system by allowing direct fare with a variety of contactless devices including debit cards, credit cards and smart phones. The loan was made available to SEPTA under guidelines of the U.S. Immigrant Investor Program, sponsored by the United States Citizenship and Immigration Services (USCIS). The loan has three separate tranches of $35 million, $75 million and $65 million and is being drawn down over a period of approximately five years. As of December 31, 2014 , the Authority has drawn down $82.8 million in loan proceeds. This is an interest only loan with maturities ranging between 5 and 6 years. The Authority anticipates utilizing Federal Grants with state and local match, to repay the loan as each tranche matures.

Debt Service

The Authority has two series of Revenue Refunding Bonds (issued in 2007 and 2010), and a series of Capital Grant Receipts Bonds (issued in 2011) currently outstanding. Additionally, in March 2012 the Authority entered into a loan agreement to fund the SEPTA Key Project.

Debt Service Requirements

Interest on the Series 2007 and Series 2010 Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2011 Bonds is payable semi-annually on December 1 and June 1. The aggregate debt service for all three bond issues is listed below on a fiscal year basis.

Debt Service Requirements
(Amounts in Thousands)

Year Ending June 30	Interest *	Principal	Total Debt Service Requirements
2016	20,139	31,180	51,319
2017	18,661	32,590	51,251
2018	17,112	34,075	51,187
2019	15,440	35,670	51,110
2020	13,611	37,455	51,066
2021	11,715	31,700	43,415
2022	10,098	33,230	43,328
2023	8,349	22,185	30,534
2024	7,155	23,300	30,455
2025	5,990	24,460	30,450
2026	4,777	25,670	30,447
2027	3,493	26,960	30,453
2028	2,145	27,050	29,195
2029	798	16,270	17,068
TOTAL	**$ 139,483**	**$ 401,795**	**$ 541,278**

* Interest on the Series 2007 Bonds is a synthetic fixed rate of 4.706 %.

Fund Balances

The Authority currently utilizes a single enterprise fund for operating purposes. The fund is specifically established for the appropriation of revenues and expenses associated with transit operations. The equity amounts below exclude the post-employment benefit and unfunded pension obligations recognized under GASB 45 and 68 respectively. Operating surpluses are carried over and offset against deficits accumulated in prior years.

Statement of Changes In Equity

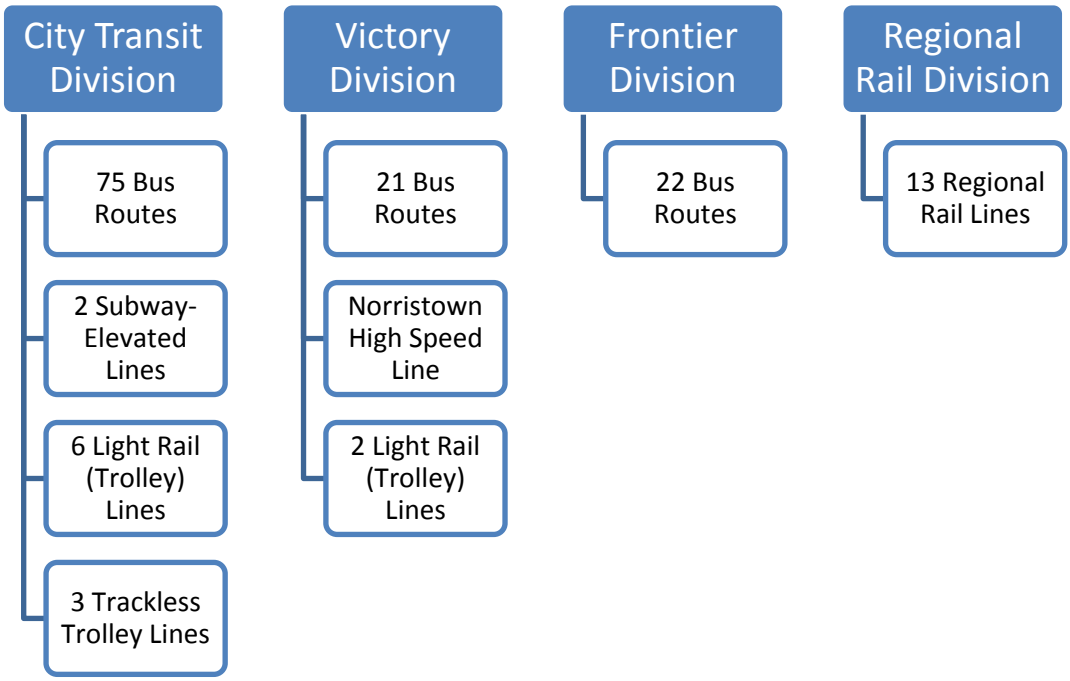
Amounts in thousands ('000)			
	FY 2014	**FY 2015**	**FY 2016**
Contributed Capital:	**Actual**	**Actual**	**Budget**
Balance at Beginning of Year	$ 3,267,354	$ 3,204,818	$ 3,279,225
Capitalized Grant Property	249,154	392,498	487,610
Capitalized Grant Property - Retirements	(26,716)	(81,434)	(34,316)
Amortization	(311,672)	(318,076)	(326,623)
Amortization - Retirements	26,699	81,419	34,199
Contributed Capital Balance at End of Year	**$ 3,204,818**	**$ 3,279,225**	**$ 3,440,095**
Operating Surplus/(Deficit):			
Accumulated Operating (Deficit)	$ (186,042)	$ (184,929)	$ (182,271)
>at Beginning of the Year			
Operating Surplus	129	230	-
Unrealized Investment Gain/(Loss)	984	2,428	-
Operating Surplus/(Deficit)	**$ 1,113**	**$ 2,658**	**$ -**
Equity Impact on Prior Years re: GASB 65	**$ -**	**$ -**	**$ -**
>after Investment Gain/Loss			
Accumulated Operating Deficit at End of Year	**$ (184,929)**	**$ (182,271)**	**$ (182,271)**
Total Equity	**$ 3,019,889**	**$ 3,096,954**	**$ 3,257,824**

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5. Organizational Structure

Operating Divisions

The Pennsylvania General Assembly established the Southeastern Pennsylvania Transportation Authority (SEPTA) on February 18, 1964 to provide public transit services for Bucks, Chester, Delaware, Montgomery and Philadelphia Counties. Over the years, SEPTA acquired the assets of several private transportation operators to form four operating divisions. This distinction permits the efficient implementation of various collective bargaining agreements and the computation of local subsidies. Although the revenue and costs are logically accounted for separately, the operating and staff departments exist in a matrix structure and function as a cohesive unit beneath the following four broad operating divisions:



City Transit Division
SEPTA acquired the assets of the former Philadelphia Transportation Company (PTC) in 1968 forming the current City Transit Division. The City Transit Division, which primarily serves the City of Philadelphia, operates 75 bus routes, 6 light rail (trolley) lines, 3 trackless trolley lines and 2 subway-elevated lines.

Victory Division
The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware and Montgomery Counties. Also known as Red Arrow until 1970, SEPTA's Victory Division is comprised of 21 bus routes, 2 light rail (trolley) lines and the Norristown High Speed Line.

Frontier Division
The Frontier Division consists of 22 bus routes serving Bucks, Chester and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

Regional Rail Division
The Regional Railroad serves the City of Philadelphia, as well as Bucks, Chester, Delaware and Montgomery Counties, with service to Newark, Delaware and Trenton and West Trenton, New Jersey. The infrastructure and assets of the Regional Railroad were previously operated by the Pennsylvania and Reading Railroads. These regional rail lines were operated by Conrail from 1976 through 1982, and acquired by SEPTA in 1983.

BOARD

SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware and Montgomery each appoint two members to the Board. The Pennsylvania Senate and House collectively appoint four members, and the Governor of Pennsylvania appoints one representative.

CORPORATE STAFF

Board Staff
Executive Staff
Office of the General Manager

AUDIT & INVESTIGATIVE SERVICES DIVISION

Internal Audit
Office of the Inspector General

BUSINESS SERVICES DIVISION

Administration
Disadvantaged Business Enterprise Program
Information Technology
Procurement and Supply Chain Management

CUSTOMER SERVICE & ADVOCACY DIVISION

Administration
Advocacy
Customer Development
Customer Service

FINANCE & PLANNING DIVISION

Capital Budget and Grant Development
Financial Services
General Accounting
Operating Budget
Payroll
Revenue, Ridership, Advertising, Marketing and Sales
Service Planning
Strategic Planning and Analysis

HUMAN RESOURCES DIVISION

Employee Services
Equal Employment Opportunity/Affirmative Action
Human Resources Administration
Recruitment and Talent Management
Training

OFFICE OF GENERAL COUNSEL
- Claims
- Corporate
- Intake & Intel
- Litigation
- Workers' Compensation and Insurance

OPERATIONS/
ENGINEERING, MAINTENANCE & CONSTRUCTION DIVISION

- Administration and Finance
- Communications
- Deputy General Manager Staff
- Labor Relations
- New Payment Technologies
- New Payment Technology Integration
- Planning, Project Coordination & Safety

OPERATIONS
- Bus Engineering
- Rail Engineering
- Bus Maintenance
- Rail Maintenance
- Control Center
- Customized Community Transportation
- Operations Staff
- Rail Transportation
- Surface Transportation
- Transit Police

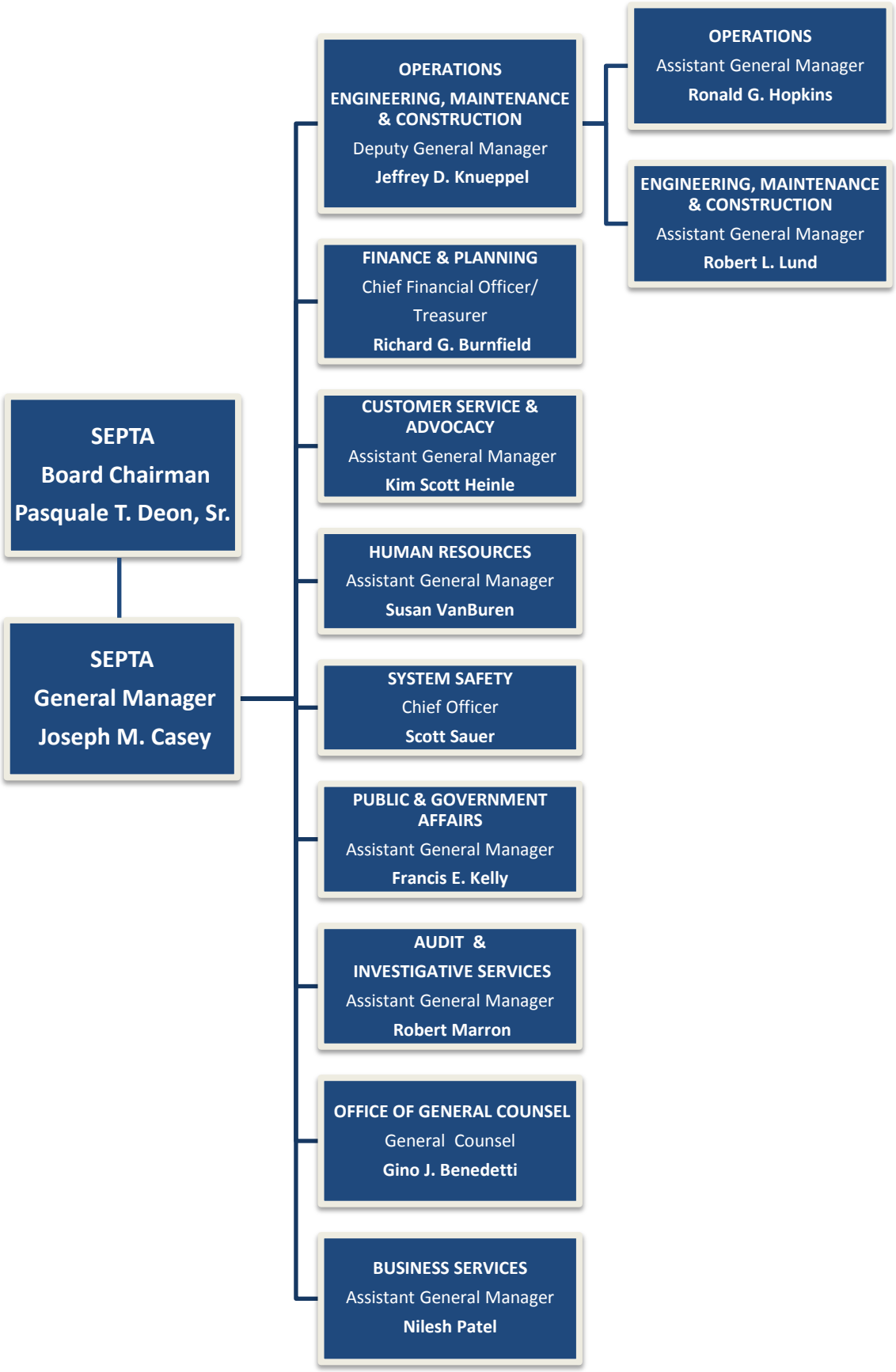
ENGINEERING, MAINTENANCE & CONSTRUCTION
- Capital Construction
- Operations Support

PUBLIC & GOVERNMENT AFFAIRS DIVISION
- Public Affairs – Administration/Communications
- Public Affairs – Media Relations
- Marketing and Promotion
- Government Affairs – Region & Community
- Government Affairs – State & Federal

SYSTEM SAFETY
- System Safety
- Construction Safety

5. Organizational Structure

General Manager Team Organization Chart



Consolidated
6. Three Year Comparison Fiscal Years 2014-2016

Amounts in thousands ('000)	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 versus FY 2015
REVENUE				
Passenger Revenue	$ 471,787	$ 476,291	$ 481,199	$ 4,908
Shared Ride Program	18,432	20,003	18,900	(1,103)
Other Income	32,716	33,756	34,413	657
Investment Income	1,323	1,543	1,250	(293)
TOTAL OPERATING REVENUE	**$ 524,258**	**$ 531,593**	**$ 535,762**	**$ 4,169**
EXPENSES				
Labor and Fringe Benefits	$ 878,374	$ 933,333	$ 984,181	$ 50,848
Materials and Services	259,219	240,906	256,227	15,321
Injuries & Damage Claims	28,844	15,858	31,200	15,342
Propulsion Power	37,031	32,121	34,500	2,379
Fuel	45,884	43,816	37,000	(6,816)
Vehicle and Facility Rental	3,211	3,516	3,568	52
OPERATING EXPENSE	**$ 1,252,563**	**$ 1,269,550**	**$ 1,346,676**	**$ 77,126**
Depreciation/Contributed Capital	$ 17,873	$ 18,108	$ 18,285	$ 177
TOTAL EXPENSES	**$ 1,270,436**	**$ 1,287,658**	**$ 1,364,961**	**$ 77,303**
DEFICIT BEFORE SUBSIDY	**$ (746,178)**	**$ (756,065)**	**$ (829,199)**	**$ (73,134)**
OPERATING SUBSIDY				
Federal	$ 68,314	$ 67,102	$ 78,994	$ 11,892
State	591,498	601,587	654,019	52,432
Local	83,549	84,413	92,996	8,583
Other	2,946	3,193	3,190	(3)
TOTAL SUBSIDY	**$ 746,307**	**$ 756,295**	**$ 829,199**	**$ 72,904**
SURPLUS/(DEFICIT)	**$ 129**	**$ 230**	**$ -**	**$ (230)**

City Transit Division
6. Three Year Comparison Fiscal Years 2014-2016

Amounts in thousands ('000)	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 versus FY 2015
REVENUE				
Passenger Revenue	$ 293,486	$ 294,690	$ 297,976	$ 3,286
Shared Ride Program	18,432	20,003	18,900	(1,103)
Other Income	17,862	18,912	19,065	153
Investment Income	865	891	762	(129)
TOTAL OPERATING REVENUE	**$ 330,645**	**$ 334,496**	**$ 336,703**	**$ 2,207**
EXPENSES				
Labor and Fringe Benefits	$ 603,218	$ 633,610	$ 674,250	$ 40,640
Materials and Services	150,441	135,616	133,628	(1,988)
Injuries & Damage Claims	24,021	19,519	25,752	6,233
Propulsion Power	16,112	13,434	14,500	1,066
Fuel	36,265	34,470	29,120	(5,350)
Vehicle and Facility Rental	2,428	2,627	2,675	48
OPERATING EXPENSE	**$ 832,485**	**$ 839,276**	**$ 879,925**	**$ 40,649**
Depreciation/Contributed Capital	$ 12,414	$ 12,602	$ 12,650	$ 48
TOTAL EXPENSES	**$ 844,899**	**$ 851,878**	**$ 892,575**	**$ 40,697**
DEFICIT BEFORE SUBSIDY	**$ (514,254)**	**$ (517,382)**	**$ (555,872)**	**$ (38,490)**
OPERATING SUBSIDY				
Federal	$ 27,837	$ 26,753	$ 27,421	$ 668
State	424,792	428,922	461,095	32,173
Local	60,328	60,493	66,036	5,543
Other	1,390	1,377	1,320	(57)
TOTAL SUBSIDY	**$ 514,347**	**$ 517,545**	**$ 555,872**	**$ 38,327**
SURPLUS/(DEFICIT)	**$ 93**	**$ 163**	**$ -**	**$ (163)**

Victory Division
6. Three Year Comparison Fiscal Years 2014-2016

Amounts in thousands ('000)	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 versus FY 2015
REVENUE				
Passenger Revenue	$ 22,866	$ 23,377	$ 23,555	$ 178
Shared Ride Program	-	-	-	-
Other Income	2,186	2,173	2,066	(107)
Investment Income	29	38	25	(13)
TOTAL OPERATING REVENUE	**$ 25,081**	**$ 25,588**	**$ 25,646**	**$ 58**
EXPENSES				
Labor and Fringe Benefits	$ 65,326	$ 67,682	$ 72,556	$ 4,874
Materials and Services	19,795	17,308	19,607	2,299
Injuries & Damage Claims	2,581	(844)	2,186	3,030
Propulsion Power	1,683	1,318	1,400	82
Fuel	5,308	5,200	3,996	(1,204)
Vehicle and Facility Rental	109	134	144	10
OPERATING EXPENSE	**$ 94,802**	**$ 90,798**	**$ 99,889**	**$ 9,091**
Depreciation/Contributed Capital	$ 186	$ 193	$ 204	$ 11
TOTAL EXPENSES	**$ 94,988**	**$ 90,991**	**$ 100,093**	**$ 9,102**
DEFICIT BEFORE SUBSIDY	**$ (69,907)**	**$ (65,403)**	**$ (74,447)**	**$ (9,044)**
OPERATING SUBSIDY				
Federal	$ 3,959	$ 3,553	$ 3,699	$ 146
State	57,283	53,897	61,531	7,634
Local	8,678	7,976	9,217	1,241
Other	-	-	-	-
TOTAL SUBSIDY	**$ 69,920**	**$ 65,426**	**$ 74,447**	**$ 9,021**
SURPLUS/(DEFICIT)	**$ 13**	**$ 23**	**$ -**	**$ (23)**

Frontier Division
6. Three Year Comparison Fiscal Years 2014-2016

Amounts in thousands ('000)	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 versus FY 2015
REVENUE				
Passenger Revenue	$ 6,512	$ 6,726	$ 6,737	$ 11
Shared Ride Program	-	-	-	-
Other Income	626	680	685	5
Investment Income	9	11	13	2
TOTAL OPERATING REVENUE	**$ 7,147**	**$ 7,417**	**$ 7,435**	**$ 18**
EXPENSES				
Labor and Fringe Benefits	$ 24,704	$ 25,457	$ 27,682	$ 2,225
Materials and Services	5,258	2,766	3,029	263
Injuries & Damage Claims	(26)	(914)	605	1,519
Propulsion Power	-	-	-	-
Fuel	3,698	3,516	3,172	(344)
Vehicle and Facility Rental	41	49	49	-
OPERATING EXPENSE	**$ 33,675**	**$ 30,874**	**$ 34,537**	**$ 3,663**
Depreciation/Contributed Capital	$ 50	$ 49	$ 45	$ (4)
TOTAL EXPENSES	**$ 33,725**	**$ 30,923**	**$ 34,582**	**$ 3,659**
DEFICIT BEFORE SUBSIDY	**$ (26,578)**	**$ (23,506)**	**$ (27,147)**	**$ (3,641)**
OPERATING SUBSIDY				
Federal	$ 1,471	$ 1,241	$ 1,314	$ 73
State	21,294	18,882	21,928	3,046
Local	3,238	2,794	3,285	491
Other	581	597	620	23
TOTAL SUBSIDY	**$ 26,584**	**$ 23,514**	**$ 27,147**	**$ 3,633**
SURPLUS/(DEFICIT)	**$ 6**	**$ 8**	**$ -**	**$ (8)**

Regional Rail Division
6. Three Year Comparison Fiscal Years 2014-2016

Amounts in thousands ('000)	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 versus FY 2015
REVENUE				
Passenger Revenue	$ 148,923	$ 151,498	$ 152,931	$ 1,433
Shared Ride Program	-	-	-	-
Other Income	12,042	11,991	12,597	606
Investment Income	420	603	450	(153)
TOTAL OPERATING REVENUE	**$ 161,385**	**$ 164,092**	**$ 165,978**	**$ 1,886**
EXPENSES				
Labor and Fringe Benefits	$ 185,126	$ 206,584	$ 209,693	$ 3,109
Materials and Services	83,725	85,216	99,963	14,747
Injuries & Damage Claims	2,268	(1,903)	2,657	4,560
Propulsion Power	19,236	17,369	18,600	1,231
Fuel	613	630	712	82
Vehicle and Facility Rental	633	706	700	(6)
OPERATING EXPENSE	**$ 291,601**	**$ 308,602**	**$ 332,325**	**$ 23,723**
Depreciation/Contributed Capital	$ 5,223	$ 5,264	$ 5,386	$ 122
TOTAL EXPENSES	**$ 296,824**	**$ 313,866**	**$ 337,711**	**$ 23,845**
DEFICIT BEFORE SUBSIDY	**$ (135,439)**	**$ (149,774)**	**$ (171,733)**	**$ (21,959)**
OPERATING SUBSIDY				
Federal	$ 35,047	$ 35,555	$ 46,560	$ 11,005
State	88,129	99,886	109,465	9,579
Local	11,305	13,150	14,458	1,308
Other	975	1,219	1,250	31
TOTAL SUBSIDY	**$ 135,456**	**$ 149,810**	**$ 171,733**	**$ 21,923**
SURPLUS/(DEFICIT)	**$ 17**	**$ 36**	**$ -**	**$ (36)**

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7. Financial Projections Summary of Assumptions

Passenger Revenue

Revenue is expected to grow approximately 1% per year, except in Fiscal Years 2017 and 2020, when the next forecasted fare increase is scheduled to take effect.

Shared Ride Revenue

This revenue category is forecasted to grow by approximately 1% each year over the five-year period.

Other Revenue

This other revenue category is expected to increase slightly when compared to Fiscal Year 2015 budget. Income from advertising, parking lot fees and frequency regulation income from the sale of electric power from storage batteries on the Market Frankford Line back to the PJM grid is reflected in this category. Investment income is also included.

Expenses

Medical and prescription costs are expected to increase approximately 6% per year.

The Other Expense categories anticipate third party supplier's price increases, while aggressive management of claims and installation of cameras on SEPTA's vehicles and at stations have resulted in a significant savings in Injury and Damages expense.

Propulsion Power and Fuel costs decrease in Fiscal Year 2016 and then are projected to trend upward thereafter.

Subsidy

The subsidy categories reflect the anticipated funding levels of the Public Transportation Trust Fund established by Act 44 of 2007 and as amended by Act 89 of 2013.

7. Financial Projections Consolidated Budget

Amounts in thousands ('000)	Budget FY 2016	Projection FY 2017 fare increase	FY 2018	FY 2019	FY 2020 fare increase	FY 2021
REVENUE						
Passenger Revenue	$ 481,199	$ 511,011	$ 516,121	$ 521,282	$ 551,495	$ 557,010
Shared Ride Revenue	18,900	19,089	19,280	19,473	19,668	19,865
Other Income	35,663	36,020	36,380	36,744	37,111	37,482
TOTAL OPERATING REVENUE	**$ 535,762**	**$ 566,120**	**$ 571,781**	**$ 577,499**	**$ 608,274**	**$ 614,357**
EXPENSES						
Labor & Fringe Benefits	$ 984,181	$ 1,016,299	$ 1,061,932	$ 1,095,513	$ 1,130,348	$ 1,166,742
Materials and Services	256,227	268,009	275,006	287,365	296,396	305,286
Injury & Damage Claims	31,200	31,200	31,200	31,200	31,200	31,200
Propulsion Power	34,500	35,200	35,900	35,900	36,600	37,300
Fuel	37,000	35,000	36,000	37,000	37,500	38,000
Other Expenses (Incl. Depreciation)	21,853	22,143	22,438	22,739	23,139	23,546
TOTAL EXPENSES	**$ 1,364,961**	**$ 1,407,851**	**$ 1,462,476**	**$ 1,509,717**	**$ 1,555,183**	**$ 1,602,074**
DEFICIT BEFORE SUBSIDY	**$ (829,199)**	**$ (841,731)**	**$ (890,695)**	**$ (932,218)**	**$ (946,909)**	**$ (987,717)**
OPERATING SUBSIDY						
Federal	78,994	82,466	82,188	85,494	86,750	87,820
State	654,019	661,878	704,685	737,999	748,952	783,509
Local	92,996	94,087	100,522	105,425	107,907	113,088
Other	3,190	3,300	3,300	3,300	3,300	3,300
TOTAL SUBSIDY	**$ 829,199**	**$ 841,731**	**$ 890,695**	**$ 932,218**	**$ 946,909**	**$ 987,717**
SURPLUS/(DEFICIT)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

8. Annual Service Plan Overview

The Fiscal Year 2016 Annual Service Plan describes service proposals suggested by the general public, government agencies, elected officials and Authority staff, and presents the technical and financial analysis to determine whether the proposals merit implementation. The plan includes items for two operating divisions – City and Suburban Transit. There are no proposals for the Regional Rail Division.

Listed below are the proposed projects for inclusion in the approved SEPTA FY 2016 Annual Service Plan.

City Transit Operations

- Route 23 - split into two routes
- Frankford Transportation Center routing changes – Routes 25, 26, 73, 84
- Route 12 - extension to Dock Street & Columbia Avenue
- Route 40 – extension to Front Street
- Route 53 extension via Hunting Park Avenue

Suburban Transit Operations

- Route 98 revision between Blue Bell and Plymouth Meeting
- Route 119 service via Chichester Avenue
- Route 128 revision via Street Road between Hulmeville Road & Richelieu Road

The Fiscal Year 2016 Annual Service Plan does not include any major reductions in the service levels or significant diminishment of transit service.

8. Revenue Assumptions By Category

SEPTA receives revenue from several different sources. These can generally be categorized as revenues derived from operations and those obtained from government grants. Government operating assistance grants are classified as Operating Subsidy and discussed in the Operating Subsidy Section of this document. Operating revenue is comprised of four major elements: passenger revenue, shared ride, investment income and other income.

Passenger Revenue

The Fiscal Year 2016 Operating Budget includes passenger revenue of $481.20 million, which includes an increase of $4.9 million over the FY 2015 Actual.

Shared Ride Program

SEPTA assumed responsibility for the operation of the state funded Shared Ride Program in the City of Philadelphia during Fiscal Year 1993. This year, the program is budgeted at $18.9 million. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging and Shared Ride fares. In Fiscal Year 2016, the Authority projects a total of 748,934 shared ride trips.

Other Income

Other revenue includes real estate lease income, parking lot fees, advertising income, frequency regulation income from the sale of electric power from storage batteries on the Market Frankford Line back to the PJM grid, and income from the sale of scrap metal. Total projected revenue for this category is $34.4 million.

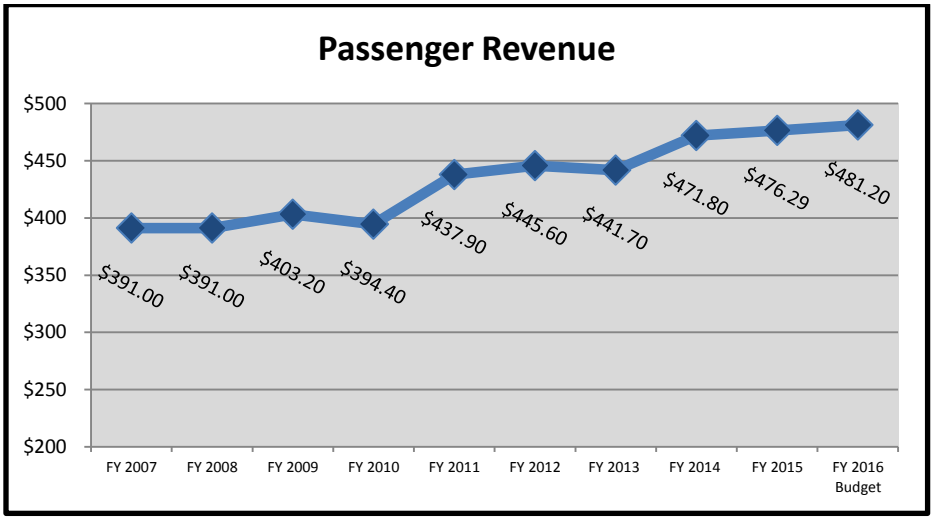
Investment Income

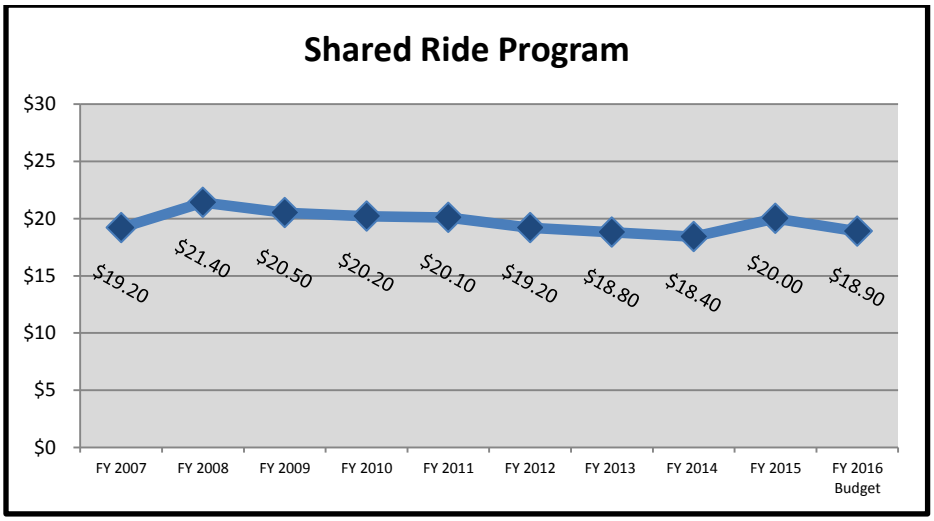
Investment income is budgeted at $1.25 million for Fiscal Year 2016. Investment income results are correlated directly to the financial market conditions.

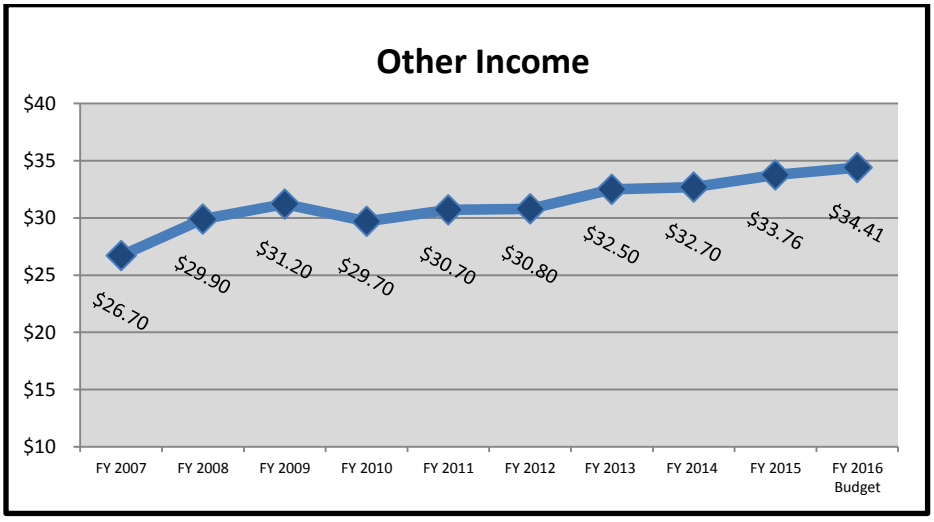
8. Ten Year Revenue Trends

The Authority analyzes a number of factors that affect the Operating Revenue budget. This includes an examination of national, state and local demographic, economic, travel and development trends. In addition, SEPTA evaluates current and potential service levels and other factors affecting ridership and revenue levels. Finally, the Authority considers historical trends in major revenue categories, as illustrated in the following charts:

Amounts In Millions



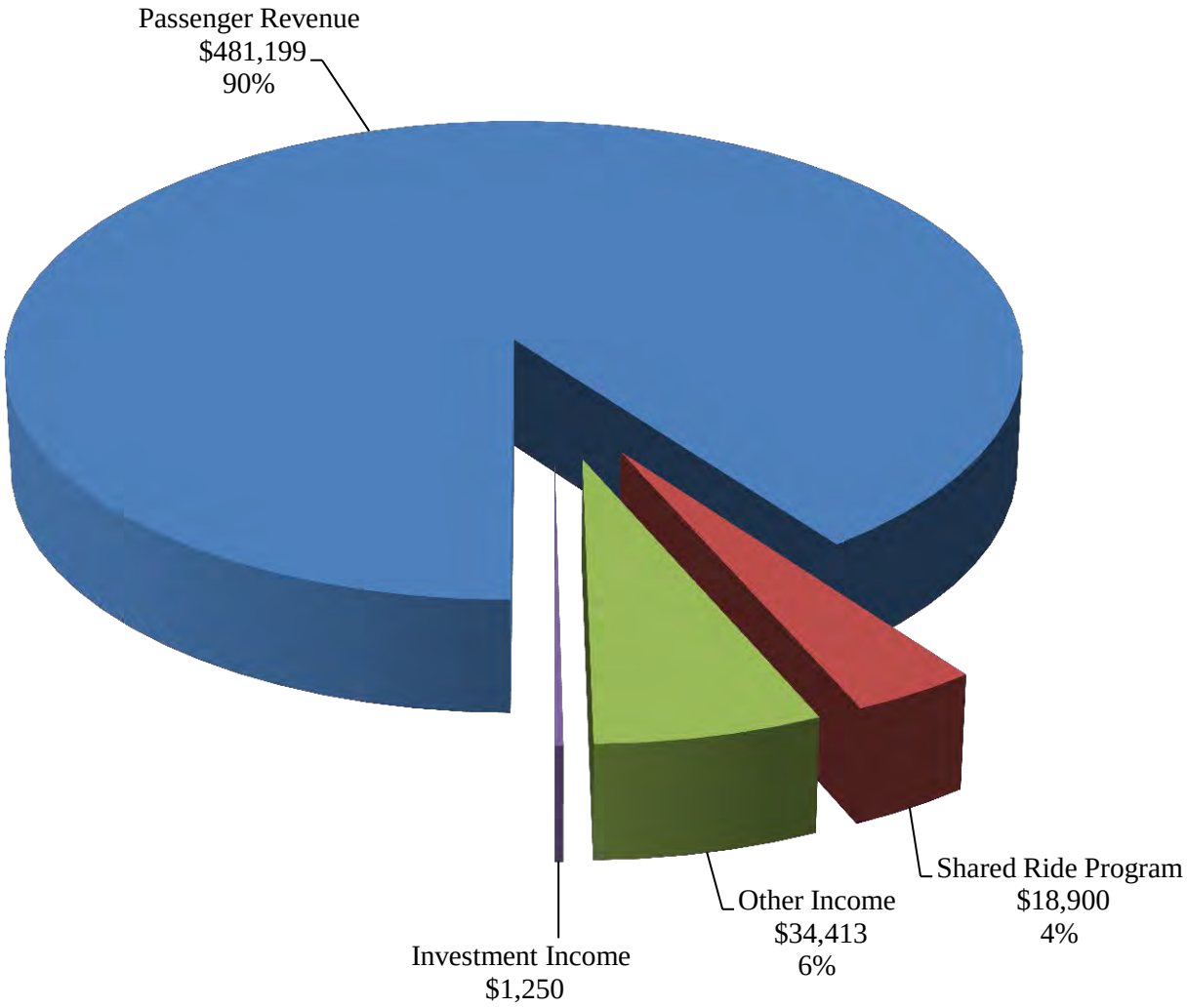




8. Summary of Operating Revenue

TOTAL OPERATING REVENUE = $535,762

In Thousands



9. Subsidy Allocation & Detail

Introduction

Total subsidies in the Fiscal Year 2016 Operating Budget represent $829.2 million and include the following categories: Federal, State, Local, and Other.

Assumptions

Federal

The Federal Government's role in providing operating assistance has steadily declined. In Fiscal Year 1980, Federal Subsidy covered 18.8% of SEPTA's operating expenses. For Fiscal Year 2016, the total Federal Subsidy of $8.9 million covers only 5.8% of the total budgeted operating expense. The source of this subsidy is Federal Preventive Maintenance in the amount of $36.8 million, Federal Capital Lease Subsidy in the amount of $33.8 million and Federal Capital Debt Service Subsidy of $8.5 million.

State

State Operating Subsidy has played an increasingly important role in supporting the Authority's operation. On July 18, 2007, Act 44 of 2007 was signed into law by former Governor Ed Rendell, and was intended to provide a long term funding solution for public transportation agencies throughout the Commonwealth of Pennsylvania. This legislation created the Pennsylvania Public Transportation Trust Fund (PTTF) which provides SEPTA and public transportation providers throughout the Commonwealth with dedicated annual funding for operating expenses. The Trust Fund is funded by 4.4% of state sales tax receipts in the Commonwealth of Pennsylvania and proceeds from bonds issued by the Pennsylvania Turnpike Commission.

In November of 2013, the State Legislature passed Act 89 funding bill which significantly increased funding for SEPTA's Capital Program allowing SEPTA to address its backlog of unfunded capital projects.

State

SEPTA and other Pennsylvania transit agencies are allocated state funds as determined by the following formula:

State Allocation Formula

Allocation Category	Allocation Percent
Number of Passengers	**25%**
Number of Senior Citizen Passengers	**10%**
Revenue Vehicle Hours	**35%**
Revenue Vehicle Miles	**30%**
Total	**100%**

Operating assistance is provided through Section 1513 of the Trust Fund. In addition, the Commonwealth of Pennsylvania provides state funds for capital lease costs and debt service. SEPTA's debt service expenses and some lease costs are funded through the Capital Program of the Pennsylvania Public Transportation Trust Fund. The remaining leases are funded through Federal Capital Lease Subsidy and Federal Capital Debt Service Subsidy.

Local

The local operating subsidy amount is budgeted at the level of 15% of the operating assistance portion (Section 1513) of the Trust Fund grant. This is the requirement for SEPTA to receive the full amount from this state grant. The local subsidy requirement for each of SEPTA's funded divisions (City Transit, Victory, Frontier, and Regional Rail) is determined by the relative deficits before subsidy in each division as adjusted for Route Guarantee and Debt Service payments.

Within each funded division, the percentage of the local subsidy required from each county is shown in the table below:

Local Operating Subsidy by County

	City Transit	Victory	Frontier	Regional Rail
Bucks	0.27%	0.00%	37.00%	5.90%
Chester	0.00%	2.00%	17.00%	4.30%
Delaware	0.00%	86.00%	0.00%	8.80%
Montgomery	0.25%	12.00%	46.00%	11.00%
Philadelphia	99.48%	0.00%	0.00%	70.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

9. Subsidy Allocation & Detail

The operating budget also makes an allowance within the standard formula (on previous page) to properly accommodate the four county utilization of SEPTA's Suburban Paratransit Service operated from the Victory Division. A usage-based allocation formula has been established within the Victory Division for suburban county ADA service. Each suburban county is billed based on the actual ADA Paratransit service used. The prospective utilization for Fiscal Year 2016 is as follows:

Suburban Paratransit Usage by County

Bucks	11%
Chester	7%
Delaware	44%
Montgomery	38%
Total	**100%**

The City of Philadelphia also provides local match for the ADA Paratransit services as part of the City Transit Division match formula.

Route Guarantee

Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2016 Route Guarantee Subsidy in the City Transit Division includes a University City partnership between Penn Health Systems, University of the Sciences, and Children's Hospital, which continues the ~~L~~UCY" circulator.

In the Frontier Division, the Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001. It represented the restructuring of six routes with funding provided through a separate agreement with the county. Routes 127, 128, 129 and 130 are guaranteed under this agreement.

An agreement with the Delaware Transit Corporation provides for regional rail service to Wilmington and Newark, Delaware as an extension of the Wilmington/Newark Line.

9. Service Stabilization Fund

Prior to passage of Act 44 in July 2007, former Governor Ed Rendell established the Transportation Funding and Reform Commission. The Commission identified future operating and capital funding needs for highways and transit. Act 44 represented a major milestone for transit funding in the Commonwealth of Pennsylvania. The intent of this legislation was to create a long term funding source which was stable, predictable and with growth potential.

Until Act 44 passed, the majority of state operating subsidies were subject to the annual budget appropriations process. During the decade prior to Act 44, growth in operating subsidies was very limited. SEPTA, along with all public transit agencies in the Commonwealth, experienced very difficult challenges in balancing their operating budgets. In a number of years, SEPTA proposed significant fare increases and severe service reductions as initial measures to balance the Authority's budget. These drastic measures were frequently diffused by eleventh hour, one-time actions. Through a number of one-time actions, the majority of these actions became unnecessary.

As the Act 44 and Act 89 funding programs are intended to provide a long-term funding solution. It is critically important for SEPTA to budget the subsidy funds to ensure that this objective is achieved. The Service Stabilization Fund is necessary to: 1) ensure long-term fiscal stability for SEPTA's operating budget; 2) prevent a future budget crisis; and 3) maintain service levels. Based on future projected growth in state funding and the projected growth in SEPTA's operating expenses and revenues, there will be fiscal years in which the growth in expenses will exceed the growth in state funding. In those years, the Service Stabilization Fund will be used to balance the operating budget avoiding substantial fare increases and/or service cuts

9. Consolidated Detail of Subsidies

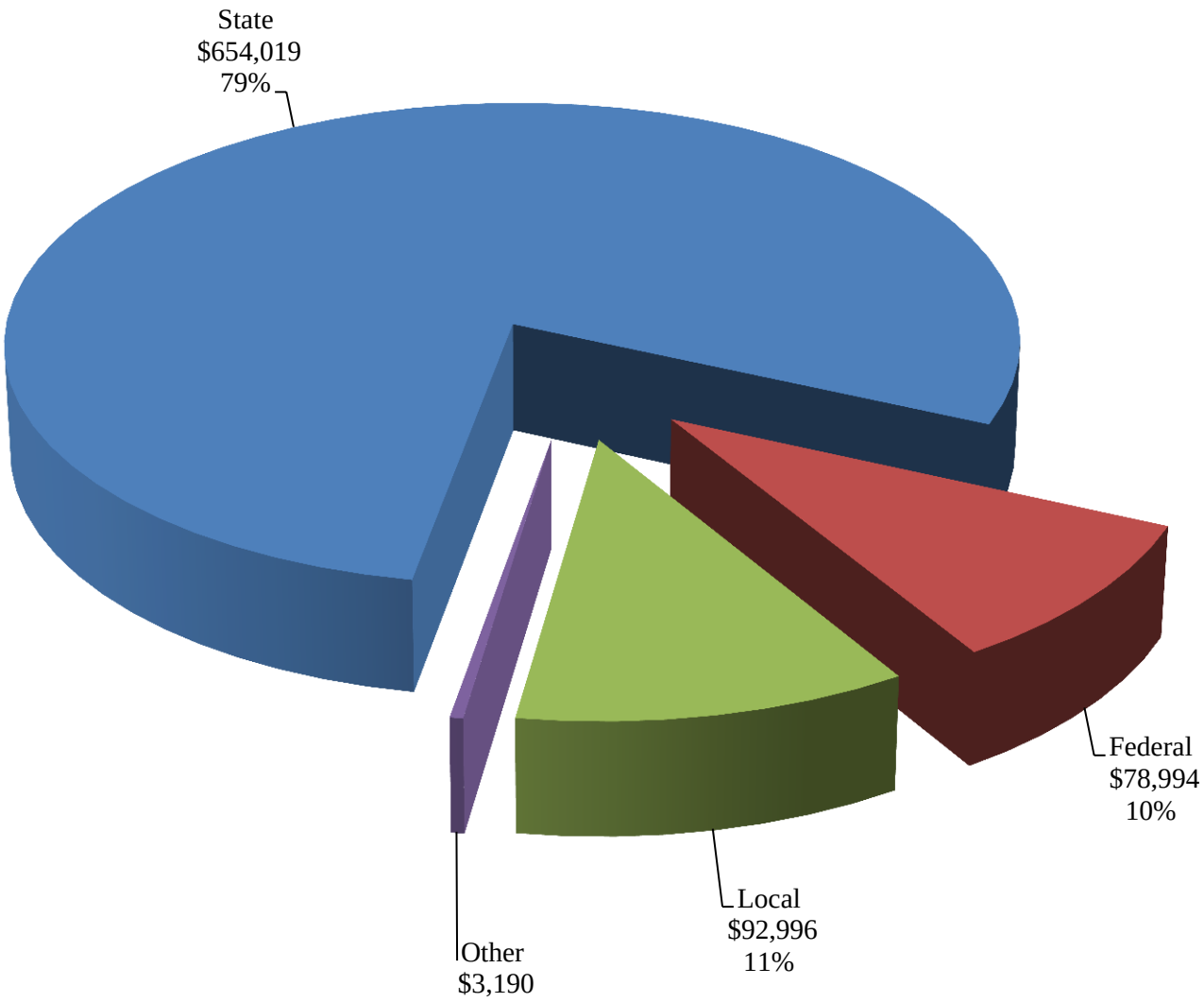
Amounts in thousands ('000)	FY 2016 Budget
Source of Subsidy - Detail:	
Federal Preventive Maintenance	$ 36,780
State Operating Subsidy - PA Trust Fund (Section 1513)	609,908
Local Match - PA Trust Fund (Section 1513)	91,488
State Lease Cost Subsidy - PA Trust Fund (Section 1514)	1,189
Local Match State Leases	40
Federal Capital Lease Subsidy	33,715
State Match - Capital Lease Subsidy (Section 1514)	8,157
Local Match - Capital Lease Subsidy	272
Federal Capital Debt Service Subsidy	8,499
State Match - Capital Debt Service Subsidy (1514)	2,056
Local Match- Federal Debt Service	69
State Debt Service Subsidy - Trust Fund (Section 1514)	32,709
Local Match - Debt Service Subsidy	1,127
Route Guarantees	3,190
TOTAL SUBSIDIES	**$ 829,199**

Summary By Source of Subsidy:	
Federal	$ 78,994
State	654,019
Local	92,996
Other	3,190
TOTAL SUBSIDIES	**$ 829,199**

9. Summary of Operating Subsidy

TOTAL SUBSIDIES = $829,199

In Thousands

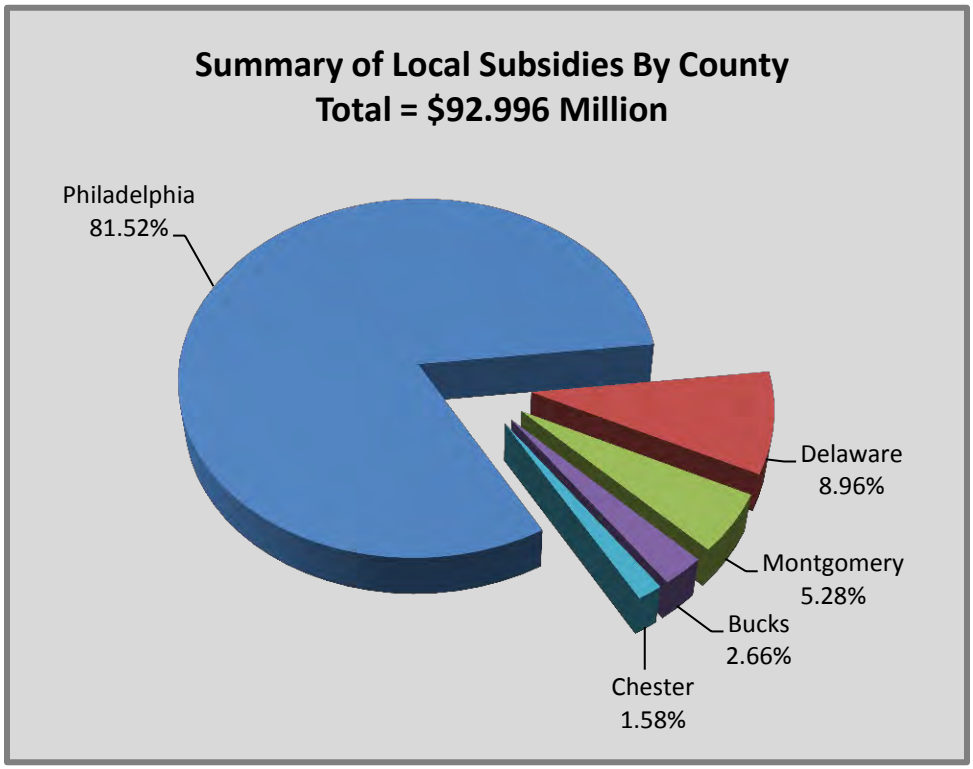


9. Local Subsidies By County

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Base PA Trust Fund Local Match					
Bucks	$ 176	$ -	$ 1,215	$ 818	$ 2,209
Chester	-	144	558	597	1,299
Delaware	-	6,157	-	1,223	7,380
Montgomery	163	860	1,511	1,528	4,062
Philadelphia	64,764	-	-	9,722	74,486
Subtotal	**$ 65,103**	**$ 7,161**	**$ 3,284**	**$ 13,888**	**$ 89,436**
Suburban Paratransit Local Match					
Bucks	$ -	$ 226	$ -	$ -	$ 226
Chester	-	144	-	-	144
Delaware	-	902	-	-	902
Montgomery	-	780	-	-	780
Philadelphia	-	-	-	-	-
Subtotal	**$ -**	**$ 2,052**	**$ -**	**$ -**	**$ 2,052**
Total Trust Fund Local Subsidy					
Bucks	$ 176	$ 226	$ 1,215	$ 818	$ 2,435
Chester	-	288	558	597	1,443
Delaware	-	7,059	-	1,223	8,282
Montgomery	163	1,640	1,511	1,528	4,842
Philadelphia	64,764	-	-	9,722	74,486
Total Trust Fund Local Subsidy	**$ 65,103**	**$ 9,213**	**$ 3,284**	**$ 13,888**	**$ 91,488**
Local Debt Service Subsidy					
Bucks	$ 2	$ -	$ -	$ 17	$ 19
Chester	-	-	-	13	13
Delaware	-	1	-	26	27
Montgomery	2	-	-	32	34
Philadelphia	899	-	-	204	1,103
Local Debt Service Subsidy	**$ 903**	**$ 1**	**$ -**	**$ 292**	**$ 1,196**
Local Lease Cost Subsidy					
Bucks	$ -	$ -	$ -	$ 16	$ 16
Chester	-	-	-	12	12
Delaware	-	3	-	24	27
Montgomery	-	-	1	31	32
Philadelphia	30	-	-	195	225
Local Lease Cost Subsidy	**$ 30**	**$ 3**	**$ 1**	**$ 278**	**$ 312**
Total Debt Service and Lease Subsidy	**$ 933**	**$ 4**	**$ 1**	**$ 570**	**$ 1,508**
Total Local Subsidies	**$ 66,036**	**$ 9,217**	**$ 3,285**	**$ 14,458**	**$ 92,996**

9. Local Subsidies By County

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Total Local Subsidy					
Bucks	$ 178	$ 226	$ 1,215	$ 851	$ 2,470
Chester	-	288	558	622	1,468
Delaware	-	7,063	-	1,273	8,336
Montgomery	165	1,640	1,512	1,591	4,908
Philadelphia	65,693	-	-	10,121	75,814
Total Local Subsidy	**$ 66,036**	**$ 9,217**	**$ 3,285**	**$ 14,458**	**$ 92,996**



The total local subsidy required for the Fiscal 2016 Budget Proposal is comprised of the following:

Total Trust Fund Local Subsidy (15%)	$ 91,488
Debt Service Subsidy Local Match	1,196
Lease Cost Subsidy Local Match	312
Total Local Subsidy Required	**$ 92,996**

10. Expense Assumptions By Category

LABOR & BENEFITS

The Fiscal Year 2016 Operating Budget reflects pattern labor wage increases as a result of existing negotiated labor agreements.

SEPTA's net labor cost includes a credit for an FTA approved method of allocating labor expense from the operating to the capital budget for costs associated with advancing capital projects.

MATERIAL & SERVICES

Material & Services (M&S) includes replacement parts for fleet and infrastructure inventory as well as various services including utilities, snow removal and Amtrak trackage rights.

CLAIMS

Claims expense includes self-insured claims payouts and reserve adjustments.

PROPULSION POWER

Revenue vehicle propulsion power expense is calculated based on estimated kilowatt-hour usage and rates.

FUEL

Fuel expense is based on budgeted miles of vehicle operation.

RENTAL EXPENSE

Rental expense covers all operating lease rentals due for fixed facilities, including departmental rents and short-term non-revenue vehicle and equipment leases.

DEPRECIATION

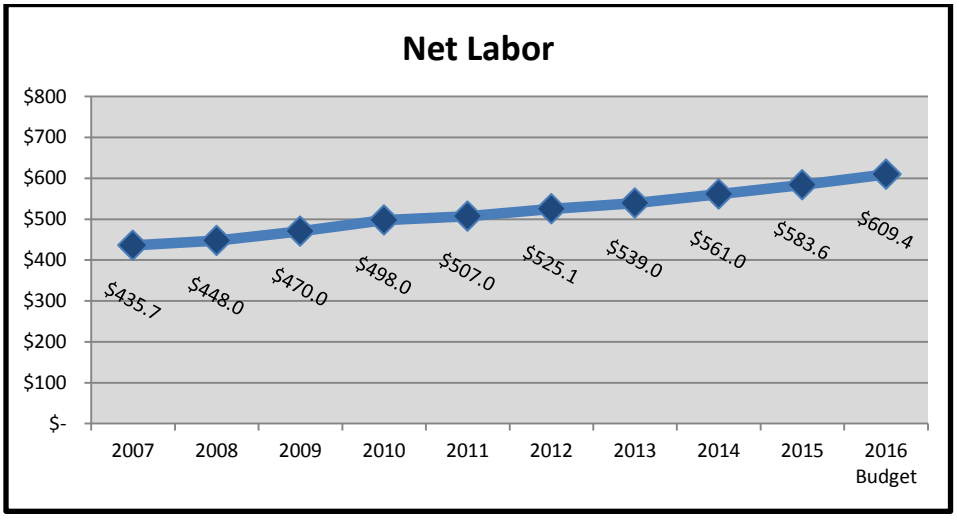
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital.

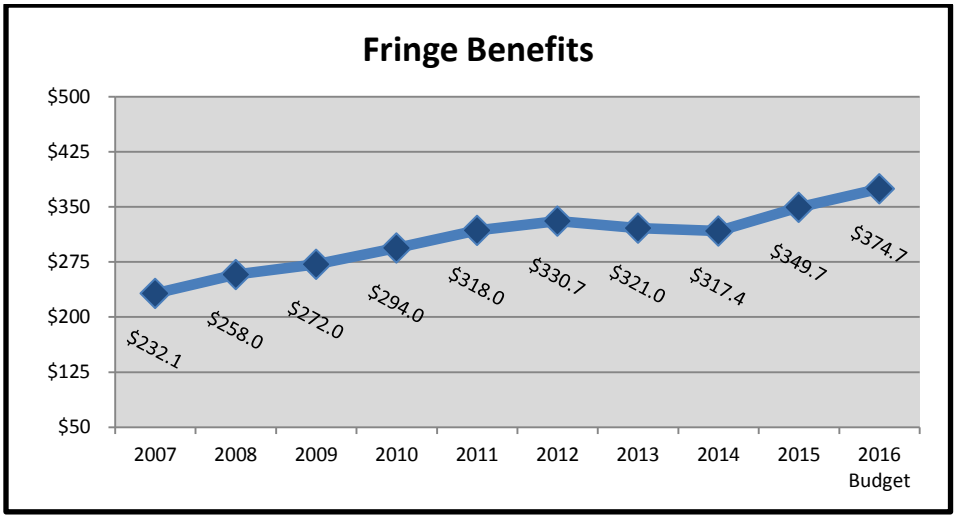
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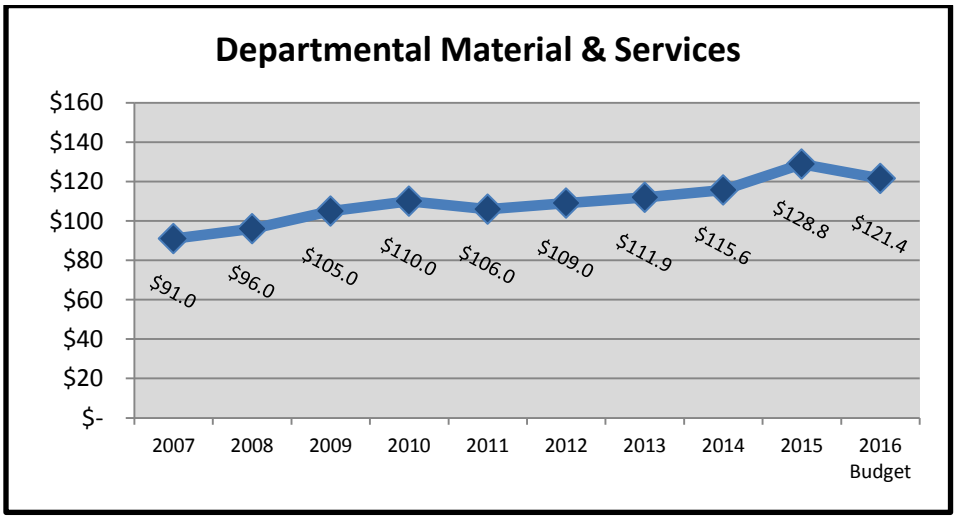
10. Ten Year Expense Trends

In developing the Operating Budget, the Authority considers issues that affect both the individual area of expense, as well as national, state and local economic conditions. In addition, SEPTA focuses on historical trends in major expense categories, as illustrated in the following charts:

Amounts in Millions

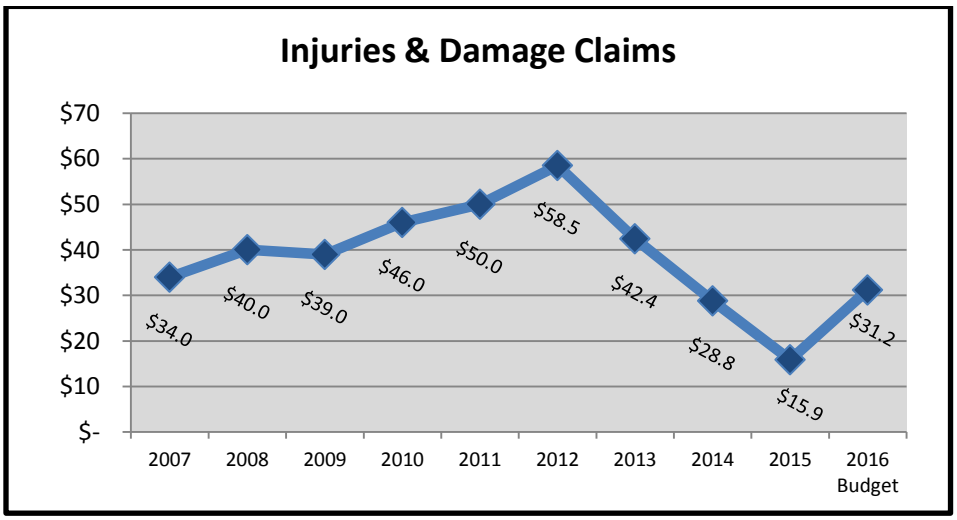


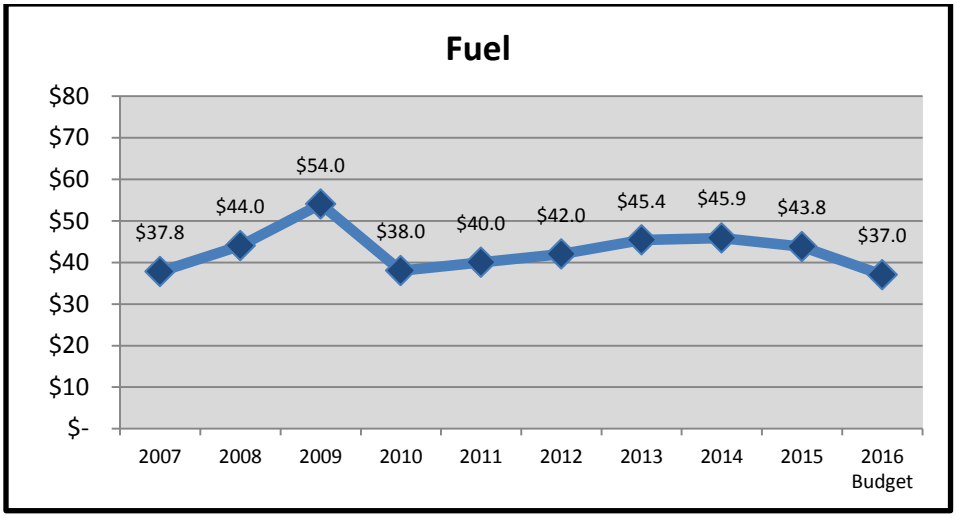


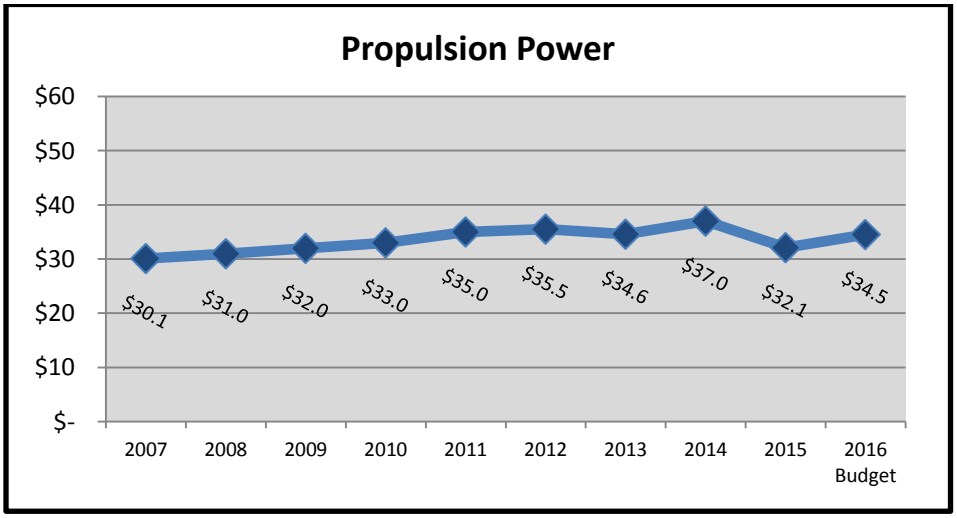


10. Ten Year Expense Trends

Amounts in Millions

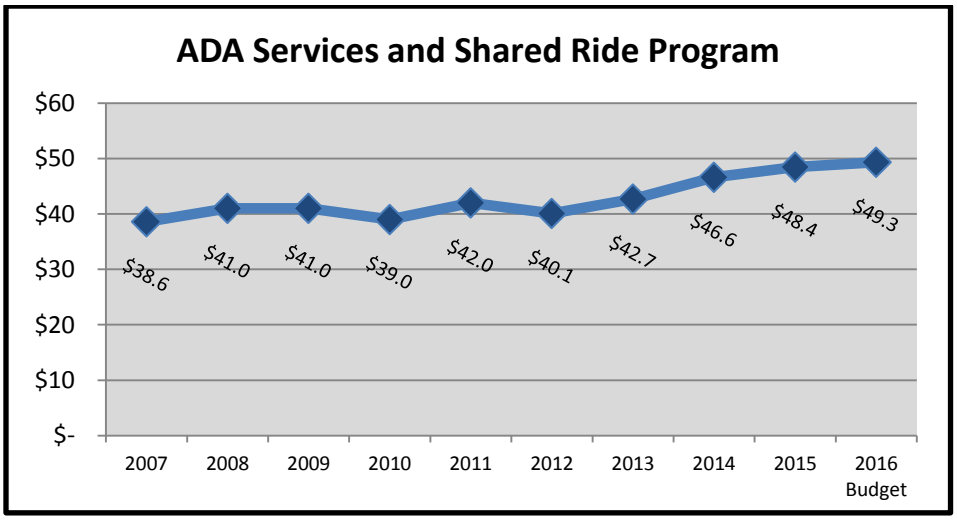


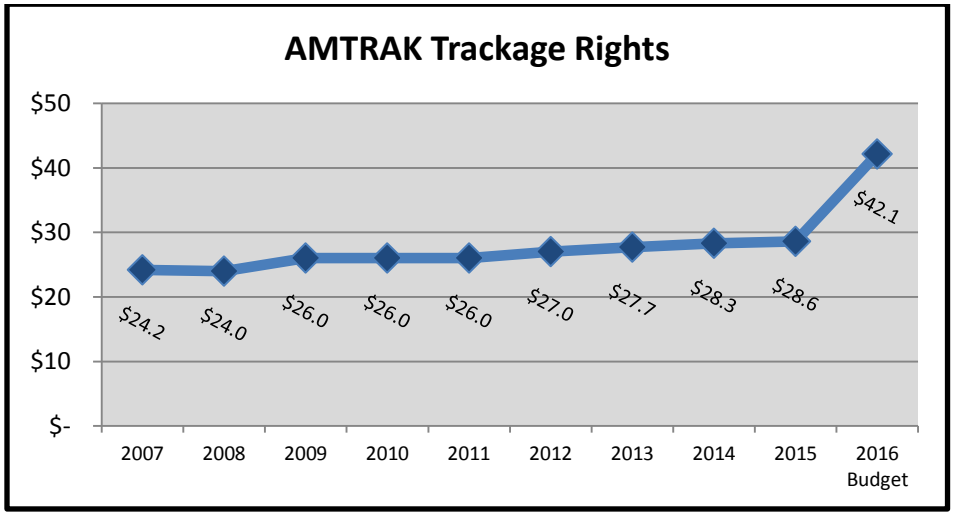




10. Ten Year Expense Trends

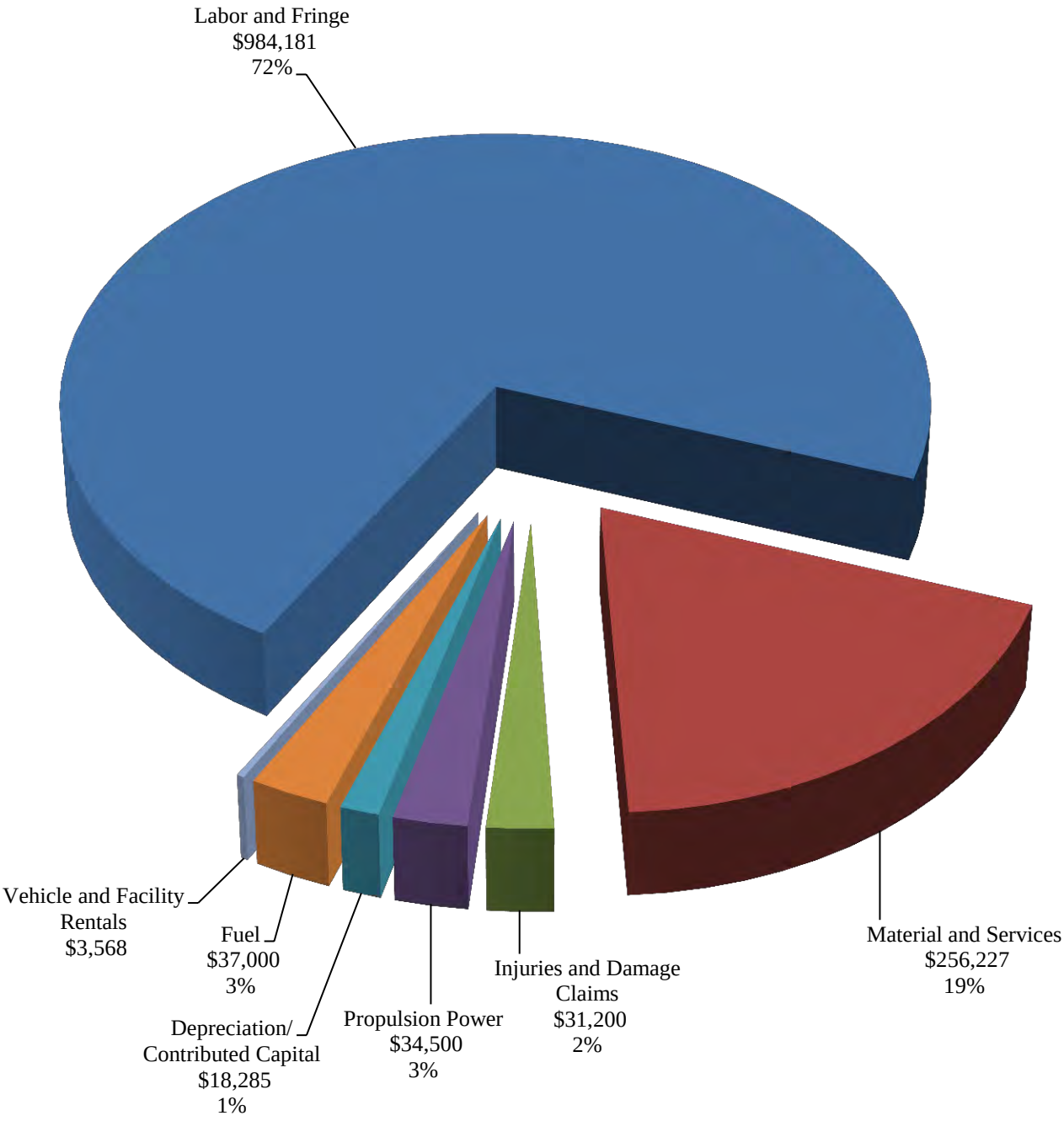
Amounts in Millions





TOTAL OPERATING EXPENSES = $1,364,961

In Thousands



10. FY 2016 Budget Detail of Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
OPERATIONS/ENGINEERING, MAINTENANCE			
& CONSTRUCTION DIVISION			
Administration and Finance	$ 252	$ 221	$ 473
Communications	1,270	1,132	2,402
Deputy General Manager Staff	1,218	131	1,349
Labor Relations	1,103	241	1,344
New Payment Technologies	116	1	117
New Payment Technology Integration	12,495	12,008	24,503
Planning, Project Coordination & Safety	167	14	181
Total DGM Departments	**$ 16,621**	**$ 13,748**	**$ 30,369**
OPERATIONS			
Bus Engineering	$ 1,141	$ 2,700	$ 3,841
Rail Engineering	1,456	90	1,546
Bus Vehicle Maintenance	53,629	24,060	77,689
Rail Vehicle Maintenance	54,538	18,316	72,854
Control Center	8,590	250	8,840
Customized Community Transportation	8,202	2,904	11,106
Operations Staff	1,343	10	1,353
Rail Transportation	113,407	7,467	120,874
Surface Transportation	207,286	529	207,815
Transit Police	21,150	1,137	22,287
Total Operations	**$ 470,742**	**$ 57,463**	**$ 528,205**
Capital Projects	1,700	2,803	4,503
Operations Support	71,572	21,514	93,086
Total Engineering, Maintenance & Construction	**$ 73,272**	**$ 24,317**	**$ 97,589**
Total Operations/Engineering, Maintenance & Construction	**$ 560,635**	**$ 95,528**	**$ 656,163**
STAFF DEPARTMENTS			
Corporate Staff	$ 2,959	$ 200	$ 3,159
Audit and Investigative Services	1,500	51	1,551
Business Services	15,457	6,269	21,726
Customer Service and Advocacy	5,131	458	5,589
Finance and Planning	11,855	2,429	14,284
Human Resources	12,535	1,378	13,913
Office of the General Counsel	8,385	12,868	21,253
Public and Government Affairs	1,647	4,748	6,395
System Safety	1,799	1,081	2,880
Total Staff Departments	**$ 61,268**	**$ 29,482**	**$ 90,750**
Capital Allocation	(12,460)	(3,568)	(16,028)
Total Departmental Expenses	**$ 609,443**	**$ 121,442**	**$ 730,885**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 374,738	$ -	$ 374,738
Amtrak	-	42,144	42,144
CCT - ADA Services	-	30,200	30,200
CCT - Shared Ride Program	-	19,100	19,100
Debt Service Interest and Fees	-	19,086	19,086
Property and Corporate Insurance		3,916	3,916
Services for 1234 Market Street	-	4,800	4,800
Snow Removal	-	4,000	4,000
Utilities	-	18,995	18,995
Capitalized/Other Costs	-	(7,456)	(7,456)
Total Non-Departmental Expenses	**$ 374,738**	**$ 134,785**	**$ 509,523**
OTHER OPERATING EXPENSES			
Injuries & Damage Claims	$ -	$ 31,200	$ 31,200
Propulsion Power	-	34,500	34,500
Fuel	-	37,000	37,000
Vehicle and Facility Rentals	-	3,568	3,568
Depreciation/Contributed Capital	-	18,285	18,285
Total Other Expenses	**$ -**	**$ 124,553**	**$ 124,553**
TOTAL EXPENSES	**$ 984,181**	**$ 380,780**	**$ 1,364,961**

10. FY 2016 Budget Allocation By Company In 000's

Division/Departmental Expenses	Headquarters	City Transit	Victory	Frontier	Regional Rail	Total
OPERATIONS/ENGINEERING, MAINTENANCE & CONSTRUCTION DIVISION						
Administration and Finance	$ 473	$ -	$ -	$ -	$ -	$ 473
Communications	2,122	150	-		130	2,402
Deputy General Manager Staff	1,348	1	-	-	-	1,349
Labor Relations	965	379	-	-	-	1,344
New Payment Technologies	116	-	-	-	1	117
New Payment Technology Integration	13,542	6	-	-	10,955	24,503
Planning, Project Coordination & Safety	-	181	-	-	-	181
Total DGM Departments	**$ 18,566**	**$ 717**	**$ -**	**$ -**	**$ 11,086**	**$ 30,369**
OPERATIONS						
Bus Engineering	$ 344	$ 3,497	$ -	$ -		$ 3,841
Rail Engineering	-	1,419	-	-	127	1,546
Bus Equipment Maintenance	-	65,713	6,815	5,161	-	77,689
Rail Equipment Maintenance	63	36,655	3,402	-	32,734	72,854
Control Center	808	3,278	472	-	4,282	8,840
Customized Community Transportation	9,570	1,157	-	379	-	11,106
Operations Staff	1,353	-	-	-	-	1,353
Rail Transportation	-	52,615	-	-	68,259	120,874
Surface Transportation	-	166,302	28,665	12,848	-	207,815
Transit Police	22,287	-	-	-	-	22,287
Total Operations	**$ 34,425**	**$ 330,636**	**$ 39,354**	**$ 18,388**	**$ 105,402**	**$ 528,205**
Capital Projects	3,332	624	5	-	542	4,503
Operations Support	-	59,636	5,539	-	27,911	93,086
Total Engineering, Maintenance & Construction	**$ 3,332**	**$ 60,260**	**$ 5,544**	**$ -**	**$ 28,453**	**$ 97,589**
Total Operations/Engrng., Maint. & Construction	**$ 56,323**	**$ 391,613**	**$ 44,898**	**$ 18,388**	**$ 144,941**	**$ 656,163**
STAFF DEPARTMENTS						
Corporate Staff	$ 3,159	$ -	$ -	$ -	$ -	$ 3,159
Audit and Investigative Services	1,551	-	-	-	-	1,551
Business Services	20,234	277	-	-	1,215	21,726
Customer Service and Advocacy	5,587	-	-	-	2	5,589
Finance and Planning	13,571	302	-	-	411	14,284
Human Resources	8,326	2,946	414	130	2,097	13,913
Office of the General Counsel	11,971	7,566	294	47	1,375	21,253
Public and Government Affairs	6,395	-	-	-	-	6,395
System Safety	2,880	-	-	-	-	2,880
Total Staff Departments	**$ 73,674**	**$ 11,091**	**$ 708**	**$ 177**	**$ 5,100**	**$ 90,750**
Capital Allocation	(12,460)	(2,675)	(144)	(49)	(700)	(16,028)
Headquarters Allocation	(117,537)	86,488	7,415	2,505	21,129	-
Total Departmental Expenses	**$ -**	**$ 486,517**	**$ 52,877**	**$ 21,021**	**$ 170,470**	**$ 730,885**
NON-DEPARTMENTAL EXPENSES						
Fringe Benefits	$ 52,829	$ 219,978	$ 22,591	$ 8,150	$ 71,190	$ 374,738
Amtrak	-	-	-	-	42,144	42,144
CCT - ADA Services	-	18,200	12,000			30,200
CCT - Shared Ride Program	-	19,100	-	-	-	19,100
Debt Service Interest and Fees	6,160	6,096	-	-	6,830	19,086
Property and Corporate Insurance	1,277	1,467	140	44	988	3,916
Services for 1234 Market Street	4,800	-	-	-	-	4,800
Snow Removal	-	-	-	-	4,000	4,000
Utilities	3,705	9,343	730	182	5,035	18,995
Capitalized/Other Costs	(9,919)	2,892	(42)	7	(394)	(7,456)
Headquarters Allocation	(58,852)	44,285	3,867	1,307	9,393	-
Total Non-Departmental Expenses	**$ -**	**$ 321,361**	**$ 39,286**	**$ 9,690**	**$ 139,186**	**$ 509,523**
OTHER OPERATING EXPENSES						
Injuries & Damage Claims	$ -	$ 25,752	$ 2,186	$ 605	$ 2,657	$ 31,200
Propulsion Power	-	14,500	1,400	-	18,600	34,500
Fuel	-	29,120	3,996	3,172	712	37,000
Vehicle and Facility Rentals	-	2,675	144	49	700	3,568
Depreciation/Contributed Capital	-	12,650	204	45	5,386	18,285
Total Other Expenses	**$ -**	**$ 84,697**	**$ 7,930**	**$ 3,871**	**$ 28,055**	**$ 124,553**
TOTAL EXPENSES	**$ -**	**$ 892,575**	**$ 100,093**	**$ 34,582**	**$ 337,711**	**$ 1,364,961**

10. FY 2015 Detail of Actual Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
OPERATIONS/ENGINEERING, MAINTENANCE			
& CONSTRUCTION DIVISION			
Administration and Finance	$ 236	$ 144	$ 380
Communications	1,111	953	2,064
Deputy General Manager Staff	1,155	69	1,224
Labor Relations	1,070	260	1,330
New Payment Technologies	34	4	38
New Payment Technology Integration	11,310	11,677	22,987
Planning, Project Coordination & Safety	98	1	99
Total DGM Departments	**$ 15,014**	**$ 13,108**	**$ 28,122**
OPERATIONS			
Bus Engineering	$ 1,599	$ 2,562	$ 4,161
Rail Engineering	371	29	400
Bus Vehcile Maintenance	51,243	27,059	78,302
Rail Vehicle Maintenance	55,291	16,626	71,917
Control Center	7,886	194	8,080
Customized Community Transportation	7,168	2,710	9,878
Operations Staff	1,342	39	1,381
Rail Transportation	109,118	6,562	115,680
Surface Transportation	199,064	521	199,585
Transit Police	19,624	1,017	20,641
Total Operations	**$ 452,706**	**$ 57,319**	**$ 510,025**
Capital Projects	1,733	3,116	4,849
Operations Support	67,624	28,325	95,949
Total Engineering, Maintenance & Construction	**$ 69,357**	**$ 31,441**	**$ 100,798**
Total Operations/Engineering, Maintenance & Construction	**$ 537,077**	**$ 101,868**	**$ 638,945**
STAFF DEPARTMENTS			
Corporate Staff	$ 2,570	$ 106	$ 2,676
Audit, Safety and Investigative Services	2,830	276	3,106
Business Services	13,846	4,740	18,586
Customer Service and Advocacy	4,736	324	5,060
Finance and Planning	11,090	2,145	13,235
Human Resources	11,788	1,138	12,926
Office of General Counsel	7,176	18,527	25,703
Public and Government Affairs	1,420	3,198	4,618
Total Staff Departments	**$ 55,456**	**$ 30,454**	**$ 85,910**
Capital Allocation	(8,938)	(3,516)	(12,454)
Total Departmental Expenses	**$ 583,595**	**$ 128,806**	**$ 712,401**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 349,738	$ -	$ 349,738
Amtrak	-	28,602	28,602
CCT - ADA Services	-	27,886	27,886
CCT - Shared Ride Program	-	20,525	20,525
Debt Service Interest and Fees	-	18,674	18,674
Property and Corporate Insurance		(4,116)	(4,116)
Services for 1234 Market Street	-	5,143	5,143
Snow Removal	-	4,000	4,000
Utilities	-	18,991	18,991
Capitalized/Other Costs	-	(7,605)	(7,605)
Total Non-Departmental Expenses	**$ 349,738**	**$ 112,100**	**$ 461,838**
OTHER OPERATING EXPENSES			
Injuries & Damage Claims	$ -	$ 15,858	$ 15,858
Propulsion Power	-	32,121	32,121
Fuel	-	43,816	43,816
Vehicle and Facility Rentals	-	3,516	3,516
Depreciation/Contributed Capital	-	18,108	18,108
Total Other Expenses	**$ -**	**$ 113,419**	**$ 113,419**
TOTAL EXPENSES	**$ 933,333**	**$ 354,325**	**$ 1,287,658**

10. FY 2014 Detail of Actual Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
OPERATIONS/ENGINEERING, MAINTENANCE & CONSTRUCTION DIVISION			
Deputy General Manager Staff	$ 666	$ 15	$ 681
Administration and Finance	232	96	328
Communications	1,003	899	1,902
Labor Relations	985	213	1,198
Revenue Operations & New Payment Technology	10,729	1,650	12,379
Planning, Project Coordination & Safety	108	2	110
Total DGM Departments	**$ 13,723**	**$ 2,875**	**$ 16,598**
OPERATIONS			
Bus Vehilce Maintenance	49,976	25,695	75,671
Vehicle Engineering	1,884	2,236	4,120
Control Center	7,758	124	7,882
Customized Community Transportation	6,381	2,723	9,104
Operations Staff	1,380	21	1,401
Rail Transportation	102,130	16,669	118,799
Rail Vehicle Maintenance	53,337	17,327	70,664
Surface Transportation	192,901	426	193,327
Transit Police	17,382	503	17,885
Total Operations	**$ 433,129**	**$ 65,724**	**$ 498,853**
ENGINEERING, MAINTENANCE & CONSTRUCTION	68,341	28,496	96,837
Total Operations/ Engineering, Maintenance & Construction	**$ 515,193**	**$ 97,095**	**$ 612,288**
STAFF DEPARTMENTS			
Corporate Staff	$ 2,596	$ 91	$ 2,687
Audit, Safety and Investigative Services	2,981	222	3,203
Business Services	13,302	4,938	18,240
Customer Service and Advocacy	5,120	673	5,793
Finance and Planning	10,597	2,197	12,794
Human Resources	11,252	1,082	12,334
Legal, Real Estate and Claims	6,934	15,525	22,459
Public and Government Affairs	1,415	2,632	4,047
Total Staff Departments	**$ 54,197**	**$ 27,360**	**$ 81,557**
Capital Allocation	(8,360)	(3,211)	(11,571)
Total Departmental Expenses	**$ 561,030**	**$ 121,244**	**$ 682,274**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 317,344	$ -	$ 317,344
Amtrak	-	28,300	28,300
CCT - ADA Services	-	26,999	26,999
CCT - Shared Ride Program	-	19,560	19,560
Debt Service Interest and Fees	-	19,145	19,145
Property and Corporate Insurance	-	24,185	24,185
Services for 1234 Market Street	-	4,173	4,173
Snow Removal	-	5,647	5,647
Utilities	-	17,712	17,712
Capitalized/Other Costs	-	(7,746)	(7,746)
Total Non-Departmental Expenses	**$ 317,344**	**$ 137,975**	**$ 455,319**
OTHER OPERATING EXPENSES			
Injuries & Damage Claims	$ -	$ 28,844	$ 28,844
Propulsion Power	-	37,031	37,031
Fuel	-	45,884	45,884
Vehicle and Facility Rentals	-	3,211	3,211
Depreciation/Contributed Capital	-	17,873	17,873
Total Other Expenses	**$ -**	**$ 132,843**	**$ 132,843**
TOTAL EXPENSES	**$ 878,374**	**$ 392,062**	**$ 1,270,436**

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11. Headcount Authorizations

Organization Overview

The organization, staffing and expenses are shown for each division in the Departmental Summaries Section, including subtotals by department. Positions are designated as A, B or H, further segregated by Operating or Capital. The following definitions shall apply throughout this section:

SAM (A)…….	Supervisory, Administrative and Management employees.
B-Roll (B)……..	Unionized clerical and storeroom employees.
Maintenance, …….. Transportation, or Cashiers (H)	Hourly maintenance, transportation, cashiers, police officers and railroad employees.
Capital……...	Positions supported by Federal, State, or Local capital funding initiatives.

11. Fiscal Year 2016 Headcount Authorization

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Audit & Investigative Services	20	-	-	-	-	20
Business Services	151	64	3	-	-	218
Corporate Staff	18	-	-	-	-	18
Customer Service & Advocacy	23	59	-	-	-	82
Finance & Planning	123	56	-	-	-	179
Human Resources	142	17	-	-	-	159
Office of General Counsel	91	24	-	-	-	115
Operations/Engineering, Maintenance & Construction	1,063	254	2,769	3,480	329	7,895
Public & Government Affairs	20	-	-	-	-	20
System Safety	22	-	-	-	-	22
Total Operating Heads	**1,673**	**474**	**2,772**	**3,480**	**329**	**8,728**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Audit & Investigative Services	-	-	-	-	-	-
Business Services	11	2	-	-	-	13
Corporate Staff	-	-	-	-	-	-
Customer Service & Advocacy	-	-	-	-	-	-
Finance & Planning	5	-	-	-	-	5
Human Resources	-	-	-	-	-	-
Office of General Counsel	-	-	-	-	-	-
Operations/Engineering, Maintenance & Construction	277	8	519	51	-	855
Public & Government Affairs	-	-	-	-	-	-
System Safety	3	-	-	-	-	3
Total Capital Heads	**296**	**10**	**519**	**51**	**-**	**876**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Audit & Investigative Services	20	-	-	-	-	20
Business Services	162	66	3	-	-	231
Corporate Staff	18	-	-	-	-	18
Customer Service & Advocacy	23	59	-	-	-	82
Finance & Planning	128	56	-	-	-	184
Human Resources	142	17	-	-	-	159
Office of General Counsel	91	24	-	-	-	115
Operations/Engineering, Maintenance & Construction	1,340	262	3,288	3,531	329	8,750
Public & Government Affairs	20	-	-	-	-	20
System Safety	25	-	-	-	-	25
Total Heads	**1,969**	**484**	**3,291**	**3,531**	**329**	**9,604**

11. Fiscal Year 2012 - 2016 Headcount Authorization

Operating Heads	2012	2013	2014	2015	2016
Audit & Investigative Services	17	40	39	37	20
Business Services	210	211	211	211	218
Corporate Staff	17	16	17	17	18
Customer Service & Advocacy	94	95	90	82	82
Engineering, Maintenance & Construction	1,183	1,182	-	-	-
Operations	6,627	6,628	-	-	-
Operations/Engineering, Maintenance & Construction	-	-	7,824	7,874	7,895
Finance & Planning	187	186	182	179	179
Human Resources	153	159	159	159	159
Office of General Counsel	53	107	117	111	115
Public & Government Affairs	21	21	20	20	20
System Safety	83	-	-	-	22
Total Operating Heads	**8,645**	**8,645**	**8,659**	**8,690**	**8,728**

Capital Heads	2012	2013	2014	2015	2016
Audit & Investigative Services	-	-	-	3	-
Business Services	12	12	12	12	13
Corporate Staff	-	-	-	-	-
Customer Service & Advocacy	-	-	-	-	-
Engineering, Maintenance & Construction	410	414	-	-	-
Operations	366	357	-	-	-
Operations/Engineering, Maintenance & Construction	-	-	763	825	855
Finance & Planning	4	5	6	4	5
Human Resources	-	-	-	-	-
Office of General Counsel	-	-	-	-	-
Public & Government Affairs	-	-	-	-	-
System Safety	-	-	-	-	3
Total Capital Heads	**792**	**788**	**781**	**844**	**876**

Total Heads	2012	2013	2014	2015	2016
Audit & Investigative Services	17	40	39	40	20
Business Services	222	223	223	223	231
Corporate Staff	17	16	17	17	18
Customer Service & Advocacy	94	95	90	82	82
Engineering, Maintenance & Construction	1,593	1,596	-	-	-
Operations	6,993	6,985	-	-	-
Operations/Engineering, Maintenance & Construction	-	-	8,587	8,699	8,750
Finance & Planning	191	191	188	183	184
Human Resources	153	159	159	159	159
Office of General Counsel	53	107	117	111	115
Public & Government Affairs	21	21	20	20	20
System Safety	83	-	-	-	25
Total Heads	**9,437**	**9,433**	**9,440**	**9,534**	**9,604**

Headcount Authorization Cause of Change
11. Fiscal Year 2015 to Fiscal Year 2016

	Fiscal Year 2015 Authorized Headcount	9,534
Division / Department	**Cause of Change**	
Audit and Investigative Services	• Two SAM positions as support for increased Authority-wide safety programs • New division created: Safety Division • Chief Officer of Safety transferred to Corporate Staff • Four Police Officers from Transit Police	-20
Business Services	• Eight SAM positions to support the Rebuilding For The Future capital program	8
Corporate Staff	• Chief Officer, System Safety transferred to Corporate Staff	1
Customized Community Transportation (CCT)	• Three SAM positions to support in-house ADA eligibility screening	3
Deputy General Manager"s Staff	• Three hourly maintenance positions to support the Facilities Improvement Team • Transfer one Chief Engineer to EM&C • Transfer one maintenance position to EM&C	1
Finance and Planning	• One SAM position transferred from NPT Integration	1
NPT Integration	• One SAM position transferred to Finance and Planning	-1
Operations Staff	• One SAM position to provide mode specific engineering support	1
Police	• Eight Police Officers for the Data-Driven Decision Making Crime Reduction Program and Nite-Owl Service • Transfer four Police Officers to Audit and Investigative Services	4
Rail Transportation	• Four hourly maintenance positions to support the Hot Spot cleaning program	4

Headcount Authorization Cause of Change
11. Fiscal Year 2015 to Fiscal Year 2016

Division/Department	Cause of Change	Increase
System Safety	• Twenty five SAM positions transferred from Audit, Safety and Investigative Services	25
Surface Transportation	• Five hourly and five SAM positions to support capital project bus substitution	10
Engineering, Maintenance and Construction: **Operations Support**	• One SAM position for the Resiliency Program • Additional maintenance and capital construction work support: five positions in the Track Department; six positions in the Buildings and Bridges Department; four positions in the Communications and Signals Department; six positions in the Power Department • One Chief Engineer from DGM Staff • One maintenance position from DGM Staff	24
Office of the General Counsel	• Four SAM positions to support expanded video surveillance assignments	4
Vehicle Engineering	• Five SAM positions for vehicle procurement and overhaul projects • One Administrative Assistant from Vehicle Equipment Maintenance	6
Vehicle Equipment Maintenance	• Transfer one Administrative Assistant to Vehicle Engineering	-1
	Total Increase	**70**
	Fiscal Year 2016 Authorized Headcount	**9,604**

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12. Departmental Summaries By Division



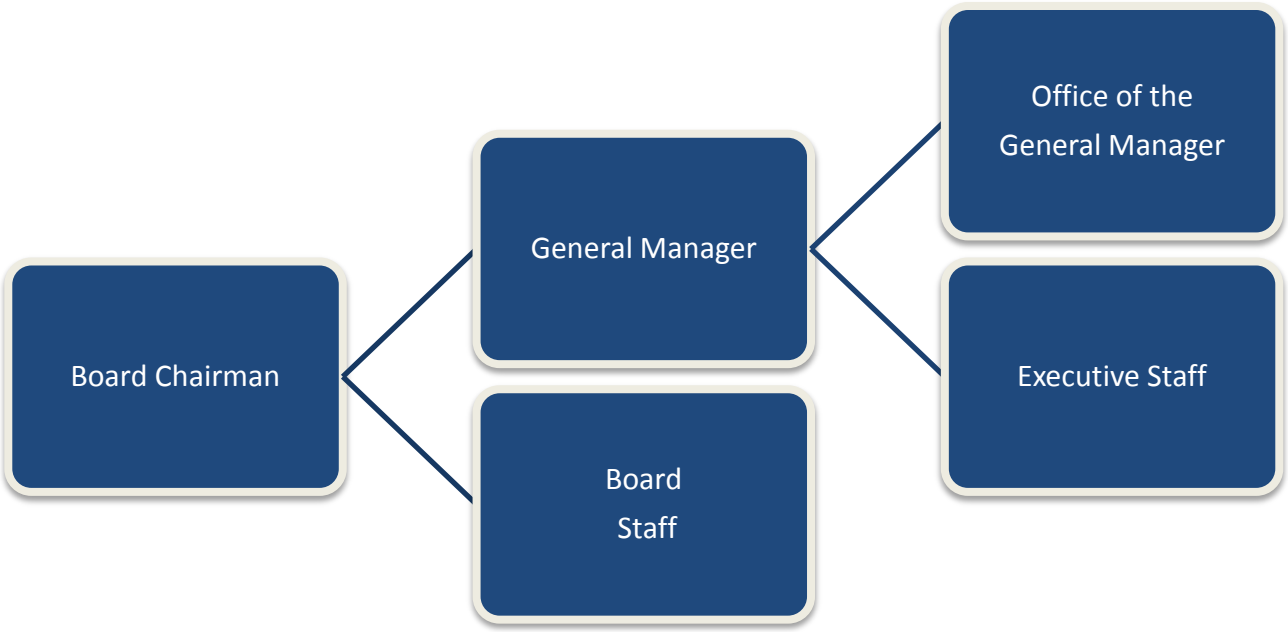
SEPTA

Corporate Staff

(a) Corporate Staff

Overview

SEPTA's Executive Staff consists of a team of experienced transit professionals who are dedicated to providing vision and guidance to the Authority, while making the best use of limited resources. The Executive Staff strives to be a partner with our stakeholders to promote public transit service as a cost-effective, viable travel option for access to work, school, medical service, shopping, leisure activities and tourism. The Executive Staff is also committed to operating and managing a system which meets the highest standards for customer and employee safety, while providing quality services.



(a) Corporate Staff

Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Board Staff	4	-	-	-	-	4
Executive Staff	11	-	-	-	-	11
Office of the General Manager	3	-	-	-	-	3
Total Operating Heads	**18**	**-**	**-**	**-**	**-**	**18**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Board Staff	-	-	-	-	-	-
Executive Staff	-	-	-	-	-	-
Office of the General Manager	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Board Staff	4	-	-	-	-	4
Executive Staff	11	-	-	-	-	11
Office of the General Manager	3	-	-	-	-	3
Total Heads	**18**	**-**	**-**	**-**	**-**	**18**

Fiscal Year 2016 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Board Staff	$ 455	$ 65	$ 520
Executive Staff	2,032	15	2,047
Office of the General Manager	472	120	592
TOTAL	**$ 2,959**	**$ 200**	**$ 3,159**

Principal Responsibilities

General Manager
Oversees all SEPTA services and operations. Along with the SEPTA Board, provides leadership and direction for the Authority.

Executive Staff
Manage and direct the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager of SEPTA. They, along with the General Manager, are responsible for the operation, administration and financial management of the Authority.

Board Staff
Prepare and attests to all Board documentation generated from committee and Board meetings as well as advising and consulting with the Board on all Board-related matters. The Board staff includes a Board Secretary, an Assistant Board Secretary, a Board Controller and a Board and Government Liaison.

Fiscal Year 2016 Goals & Business Initiatives

The goals of SEPTA's Strategic Business Plan for Fiscal Years 2015 through 2019 define the Authority's guiding framework, and ultimately constitute the goals of the Executive Staff, who function as SEPTA's decision-makers. The following are key initiatives pursuant to SEPTA's Strategic Business Plan:

Current Goals	Initiatives
I. Improve Customer and Employee Safety	a) Continue to enhance security of passengers, employees and infrastructure b) Continue and strengthen public safety education programs including Operation Lifesaver c) Continue to improve employee training and certification programs d) Continue to rigorously enforce employee drug and alcohol policies e) Maintain existing relationships and develop new partnerships with local agencies and universities to enhance security
II. Improve the Customer Experience	a) Emphasize Courtesy, Cleanliness, Communications and Convenience b) Reinforce Customer Service as a priority for all SEPTA employees c) Continue programs to improve the cleanliness of stations d) Continue programs to improve on-time performance e) Continue vehicle acquisition programs to replace rolling stock beyond its useful life f) Build and expand relationships with customers – both internal and external – outlined in the Building a SEPTA Customer Service Culture (BASCSC) initiative g) Advance technology initiatives, including website features, social media, and subscription notification program for service alterations. Expand customer communication programs using tools that match rider preferences h) Continue programs that provide information, outreach, and assistance to customers during emergencies and special events

(a) Corporate Staff

Current Goals	Initiatives
III. Improve Financial Efficiency through Productivity Gains	a) Maximize the effectiveness of resources, personnel, equipment, vehicles and facilities to improve productivity while improving the delivery and quality of service for customers b) Continue reductions, as appropriate, in non-revenue vehicle fleet c) Facilitate decision-making support systems through effective use of customer market research and other market research instruments d) Continue aggressive fraud campaign programs to reduce Workers' Compensation, Medical and Injury Claims e) Implement projects that provide an integrated approach to strategic planning throughout the Authority
IV. Improve Financial Efficiency through Ridership Growth and New Sources of Revenue	a) Respond to regional economic and customer market trends to retain existing riders and attract new customers staying within our financial boundaries b) Reinforce and build relationships with outside stakeholders to develop service in response to special markets including visitors, tourists and businesses c) Strategically enhance existing service and develop new service to meet access to job needs throughout the region d) Develop partnership initiatives to address mobility needs through a cost-effective/cost sharing program e) Promote existing Authority fare incentives – passes and Ride-ECO to existing and new riders. f) Advance new payment technologies into our fare collection system g) Support the long-term consideration and planning of new service h) Continue preventive maintenance on elevator/escalators to minimize amount of service expense i) Lend support and be responsive to state-initiated performance standards and various audits

(a) Corporate Staff

Current Goals	Initiatives
V. Ensure Responsible Resource Management Through a Comprehensive Sustainability Program	a) Promote environmental stewardship with introduction of energy appropriate and sensitive practices that have economic returns b) Implement energy efficient and socially responsible construction and maintenance practices throughout our organization c) Further advance awareness of transit as a sustainability solution for the continued economic vitality of our service region d) Work with partners and stakeholders to foster transit oriented development opportunities where sustainability and livability goals may be achieved at a community level
VI. Promote Employee Growth Through Workplace Satisfaction and Excellence	a) Advance the Succession Planning Program and development of employee education programs to ensure continuity of operations in key positions and provide promotional opportunities b) Create a high performance workforce culture by enhancing our employee recognition program to include a sound strategic management method of employee engagement and foster a commitment to excellence and professional pride c) In cooperation with our bargaining units, continue to develop programs that enhance skills and create opportunities for employee growth
VII. Strategically Invest PA Act 89 Funding to Reduce SEPTA‟s State of Good Repair Backlog	a) Focus capital funding on vehicle replacement and rehabilitation of core infrastructure, including bridges, substations, power infrastructure, track, stations and maintenance facilities b) Link capital investments to systems modernization where possible c) Identify partnerships and additional funding opportunities to extend the impact of Act 89 d) Begin to develop plans for longer-term service expansion opportunities



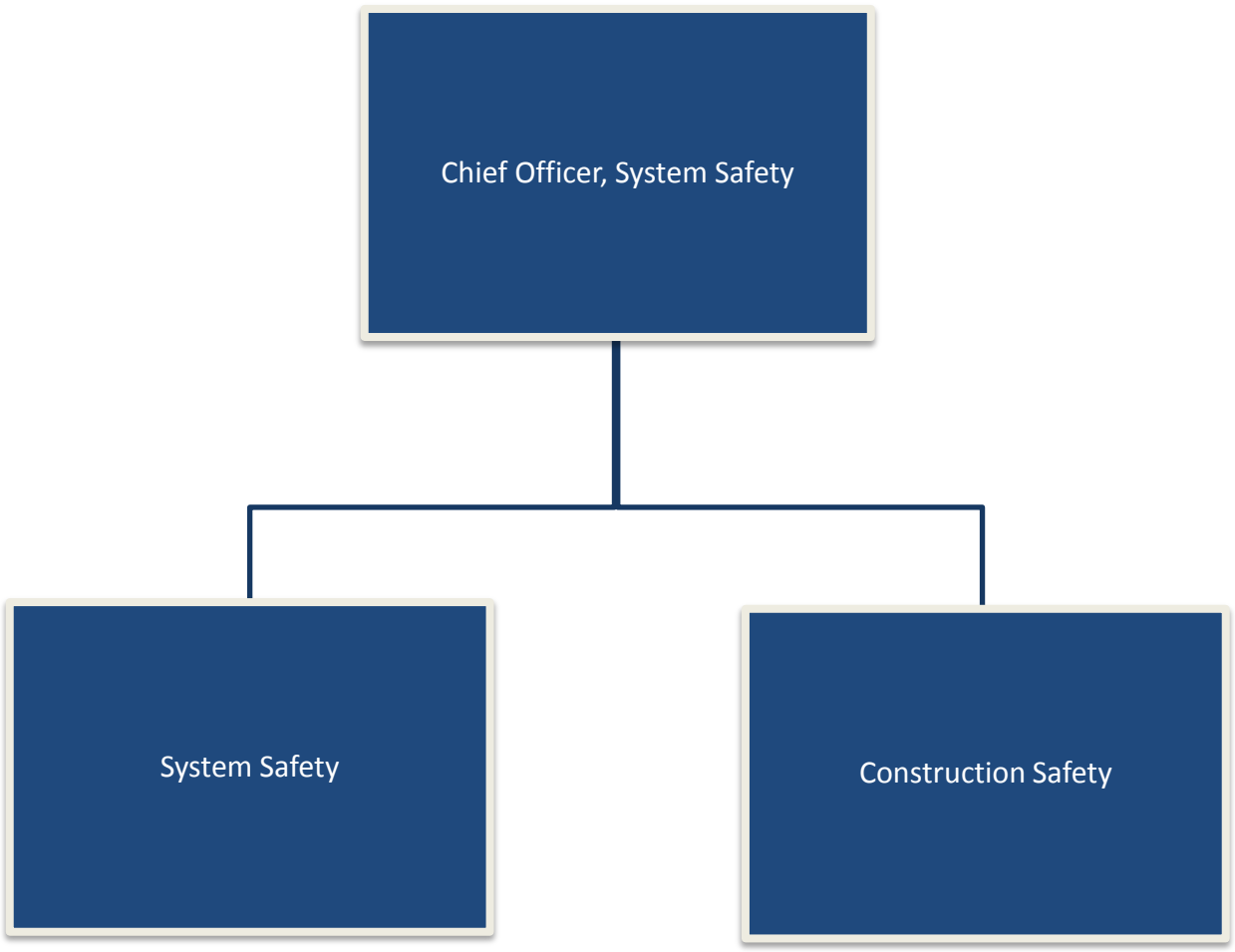
SEPTA

System Safety

(b) System Safety

Overview

SEPTA's System Safety Division consists of a team of experienced safety professionals who are dedicated to ensuring and enhancing the safety of SEPTA's employees and customers.



(b) System Safety

Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
System Safety	22	-	-	-	-	22
Construction Safety	-	-	-	-	-	-
Total Operating Heads	**22**	**-**	**-**	**-**	**-**	**22**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
System Safety	-	-	-	-	-	-
Construction Safety	3	-	-	-	-	3
Total Capital Heads	**3**	**-**	**-**	**-**	**-**	**3**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
System Safety	22	-	-	-	-	22
Construction Safety	3	-	-	-	-	3
Total Heads	**25**	**-**	**-**	**-**	**-**	**25**

The Chief Officer, System Safety has been transferred to Corporate Staff and is now a direct report to the General Manager.

(b) System Safety

Fiscal Year 2016 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
System Safety	$ 1,798	$ 1,081	$ 2,879
Construction Safety - All Capital	-	-	-
TOTAL	**$ 1,798**	**$ 1,081**	**$ 2,879**

Principal Responsibilities

SYSTEM SAFETY

System Safety performs a wide range of tasks that are designed to ensure and enhance the safety of our passengers and employees. These tasks include the following:

- Develop, implement, maintain and update the multi-modal System Safety Program Plan (SSPP).
- Coordinate all functions related to safety throughout the Authority, including the potential for environmental and workplace health exposures.
- Routinely perform an enhanced level of safety inspections and audits, in addition to major accident investigations, occupational injury investigations and safety/risk management assessments.
- Conduct fire drills and evacuation exercises at all Authority locations.
- Direct the activities of the Joint Health and Safety Committee (JHSC) and oversees the Location Safety Committee (LSC) process. Assists in the coordination of multi-departmental initiatives to promote and internalize safety as the Authority's top priority.
- Provide consultation and support in the areas of environmental compliance and management of SEPTA's environmental activities.
- Oversee Environmental Site Characterization Assessments, Phase I & II Property Acquisition Assessments and Remediation Projects.
- Oversee the Authority's Environmental and Sustainability Management System (ESMS).
- Manage the Property Conservation Program and the risk treatment process. Work to obtain the most cost effective insurance coverage by reducing risk exposure and implementing effective risk control techniques at all Authority locations.
- Coordinate the collection and reporting of all safety statistics throughout the Authority and administer the reporting of those statistics to regulatory agencies.

(b) System Safety

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve Employee Safety and promote a Safe Work Environment.	a) Continue the —Never Too Busy for Safety" program throughout the Authority b) Continue to support and improve the Location Safety Committees and their handling of safety concerns c) Implement a Third-Party safety training contract to address training needs d) Implement a Third-Party Respiratory Fit Test contract to improve the respiratory protection program
II. Increase Customer Safety Awareness	a) Continue the —Make the Safe Choice" customer safety program b) Schedule and execute the monthly Customer Safety Blitzes c) Explore technology based solutions to reduce vehicle incidents d) Increase the Operational Lifesaver presentations in schools and community groups
III. Ensure Responsible Environmental Management Through a Comprehensive ESMS Program	a) Maintain ISO 14001 certification at Berridge Shop b) Advance the ISO 14001 certification process at Wayne Electric Shop c) Implement ESMS fundamentals throughout the Authority

(b) System Safety

Fiscal Year 2015 Major Accomplishments

- Coordinated an Incident Management training program for the Authority's Operations & Maintenance management staff
- Lead two Employee Safety Awareness Days
- Conducted the Third Annual Customer Safety Awareness Day in conjunction with AMTRAK, NJT, PATCO, and the FRA
- Maintained ISO 14001 certification at Berridge Shop





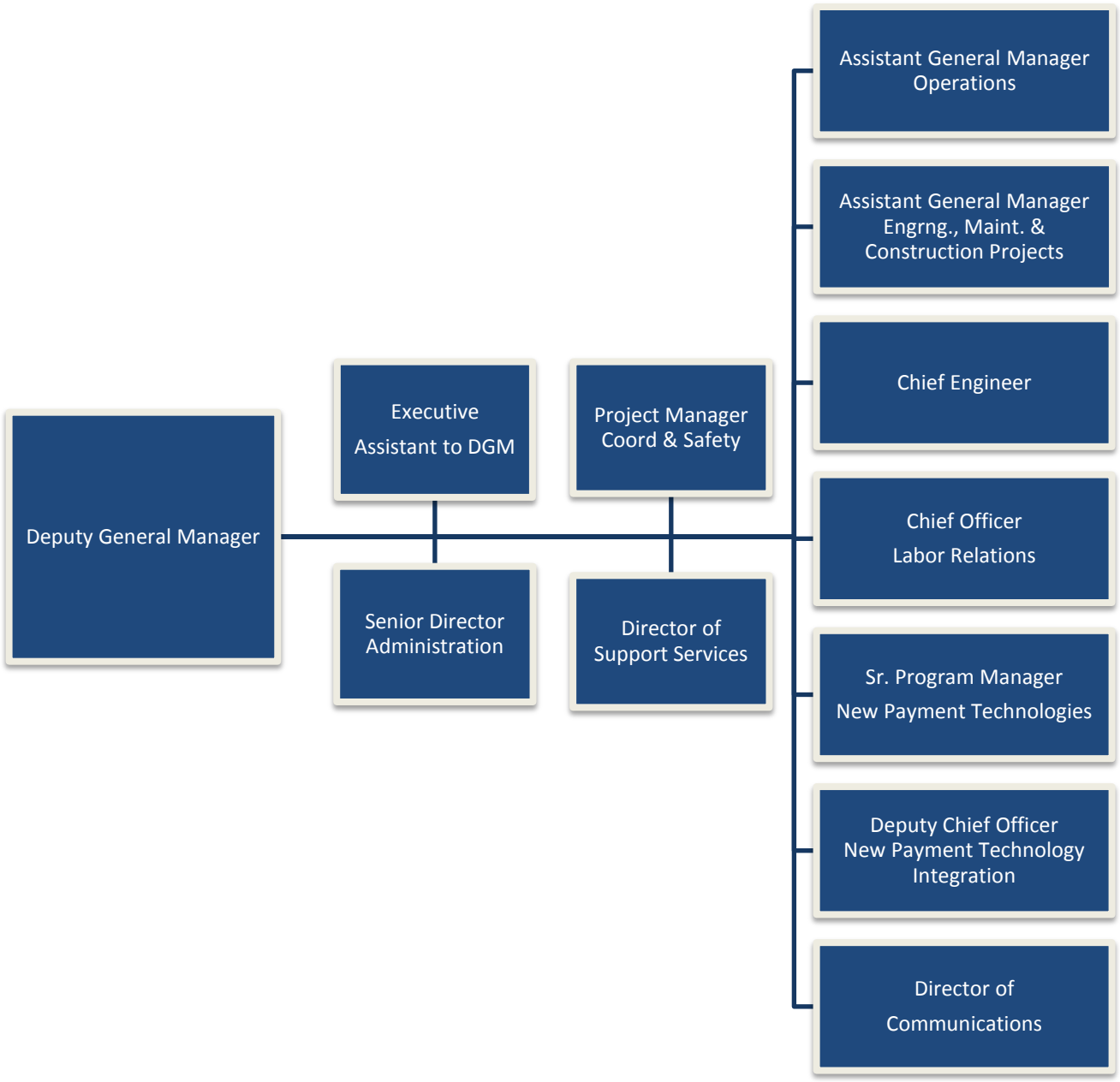
SEPTA

Operations/ Engineering, Maintenance & Construction Division

(1) Deputy General Manager Staff

Overview

The Operations/Engineering, Maintenance & Construction Division reports directly to SEPTA's Deputy General Manager who is directly responsible for the Authority's core business. The Deputy General Manager's areas of responsibility include Operations, Engineering, Maintenance & Construction, Planning, Project Coordination & Safety, New Payment Technology and Integration, Labor Relations, Communications and Administration & Analysis. The Division provides the leadership for the daily operating decisions and long term goals related to these areas of responsibility.



(1) Deputy General Manager Staff

Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	8	-	6	-	-	14
Administration & Finance	3	-	-	-	-	3
Communications	11	5	3	-	-	19
Labor Relations	9	-	5	-	-	14
New Payment Technologies	1	-	-	-	-	1
New Payment Technology Integration	98	58	48	-	-	204
Planning, Project Coordination & Safety	2	-	-	-	-	2
Total Operating Heads	**132**	**63**	**62**	**-**	**-**	**257**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	2	-	-	-	-	2
Administration & Finance	-	-	-	-	-	-
Communications	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-
New Payment Technologies	11	-	-	-	-	11
New Payment Technology Integration	-	-	-	-	-	-
Planning, Project Coordination & Safety	4	-	-	-	-	4
Total Capital Heads	**17**	**-**	**-**	**-**	**-**	**17**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	10	-	6	-	-	16
Administration & Finance	3	-	-	-	-	3
Communications	11	5	3	-	-	19
Labor Relations	9	-	5	-	-	14
New Payment Technologies	12	-	-	-	-	12
New Payment Technology Integration	98	58	48	-	-	204
Planning, Project Coordination & Safety	6	-	-	-	-	6
Total Heads	**149**	**63**	**62**	**-**	**-**	**274**

(1) Deputy General Manager Staff

Fiscal Year 2016 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Deputy General Manager Staff	$ 1,218	$ 131	$ 1,349
Administration & Finance	252	221	473
Communications	1,270	1,132	2,402
Labor Relations	1,103	241	1,344
New Payment Technologies	116	1	117
New Payment Technology Integration	12,495	12,008	24,503
Planning, Project Coordination/Safety	167	14	181
TOTAL	**$ 16,621**	**$ 13,748**	**$ 30,369**

Principal Responsibilities

ADMINISTRATION AND FINANCE
Coordinate and manage the administrative and financial activities for the Operations/Engineering, Maintenance and Construction Division.

Cost Control
Coordinate the development, submission and monitoring of Operating and Capital Budget Proposals for the Operations/Engineering, Maintenance and Construction Division.

Performance Statistics Control
Develop and monitor performance statistic goals for Operations/Engineering, Maintenance and Construction Division which support SEPTA's mission and strategic goals.

Human Resource Administration
Manage the process of hiring personnel for Operations/Engineering, Maintenance and Construction Division in accordance with service requirements. Ensure compliance with SEPTA's Human Resource policies.

Customer Service
Process and expedite all customer correspondence routed through the Operations/ Engineering, Maintenance and Construction Division.

Record Retention
Coordinate compliance with record retention policies.

Special Projects
Coordinate all logistics and activities related to service interruptions, major sporting events and various other annual events including the International Flower Show, Philly Spring Clean-Up, and Philadelphia Food Drive.

COMMUNICATIONS

Responsibilities include internal and external communications including the development of customer information, brochures, posters and notices, system signage, way-finding information and maps. Manage the content, graphics, navigation, and editorial content for SEPTA public website and social media outlets. Develop new customer features and format for public website including real time service information and smart phone apps. Responsible for the redesign and editorial content of the Authority's employee Intranet site. Also responsible for preparing testimony, speeches, articles, General Manager communications with employees, Board Commendations and other correspondence. Direct the Art in Transit program. Manage Graphics, Printing Services, the Sign Shop, Fulfillment Services and Communications.

Print Services and Sign Shops

Serve as the internal production operations for Authority departments and operations. The Print Shop is responsible for printing approximately nine million transit schedules each year as well as customer brochures, posters, leaflets, maps, mass distribution employee memos, forms, corporate business cards and stationery. The Sign Shop is responsible for producing system and vehicle signs, decals, and banners, including system-wide transit stop signage.

Graphic Services

Provide creative concept, design, layout and pre-production services for all departments in the Authority for a vast range of projects including brochures, leaflets, posters, transit passes, maps, signage, marketing and sales materials. Responsible for graphic design of SEPTA's Internet and Intranet sites including specialty micro-sites.

Fulfillment Services

Provide direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit timetables, customer service notices and other brochures and leaflets produced by the Authority. Manages timetable production contract.

Communications and Website Management

Responsible for all customer communications initiatives including all SEPTA service and project related information using a variety of tools including web, video, and social media. This unit is also responsible for the design, content, and management of the SEPTA website and Authority social media tools.

LABOR RELATIONS

Conduct all labor negotiations with the bargaining units, handles all grievances, arbitrations, unemployment claims and Labor Board cases.

Negotiations

Serve as lead negotiator for all Labor Agreements with the Authority's Collective Bargaining units in accordance with State and Federal Laws.

Grievances, Arbitrations and Special Boards of Adjustment (SBAs)

Hear all third level and Labor Relations step grievances and represent the Authority in all arbitrations, SBAs and related litigation. Serve as primary liaison with all attorneys retained on special arbitration cases or other litigation.

Case Presentation to the Pennsylvania Labor Relations Board (PLRB)

Prepare and present all cases associated with the PLRB as they are filed by unions and the Authority.

Job Classification/Wage Administration

Direct preparation of new and revised job descriptions for hourly classification and coordinate evaluations of bargaining unit positions and negotiate job restructuring and classification issues. Prepare and publish all hourly and non-supervisory wage rate manuals.

Training

Conduct relevant training of supervisors in contract interpretation and enforcement.

Joint Labor Management Relations

Conduct joint productivity meetings with labor representatives to promote the safe, efficient and economical operation of the Authority.

Unemployment Compensation

Direct all internal Unemployment Compensation activities, including administration of all claims and representations of Authority positions in hearings and appeals.

NEW PAYMENT TECHNOLOGY

Direct the multi-phase New Payment Technologies Project to transform SEPTA's aging revenue equipment into a modern, efficient and convenient system for customer payment and agency collection of fare revenue.

NEW PAYMENT TECHNOLOGY INTEGRATION

Revenue Transportation

Manage the collection and transportation and deposit of the Authority's passenger revenues and fare instruments.

Revenue Services

Ensure timely processing, counting and reconciliation of the Authority's passenger revenue, as well as the distribution of fare instruments.

Revenue Equipment Maintenance and Engineering

Perform preventive maintenance and overhaul of the Authority's fare collection equipment and devices. Provide engineering and design support for the revenue system including specifications, drawings, equipment modifications and system upgrades.

Revenue Compliance

Ensure the collection, handling and processing of revenue is performed efficiently and safely.

Revenue, Audit and Control

Ensure that effective controls are in place to safeguard the Authority's revenue and assets.

Fare Collection

The fare collection stations group is also organized into BSS and MFSE sections. The MFSE section oversees fare sales and collections and provides service information at 28 stations. The BSS section provides these services at 25 stations.

Parking

Pursue opportunities to expand parking spaces and function as the central coordinator for all parking related issues. Responsible for managing third party contractors for maintenance on all lots and garages. Actively seek land acquisitions to develop and expand various parking lot capacities. Manage over 26,000 parking spaces and directly handle all coin and electronic cash collection from SEPTA owned meters, slot boxes and pre-paid permits.

PLANNING, PROJECT COORDINATION & SAFETY

Planning

Responsible for long-range planning for critical infrastructure maintenance and improvement projects on the Regional Rail Division, Suburban Transit Division, and Light Rail Lines in the City Transit Division. This group develops and maintains the 5-Year EM&C Infrastructure Renewal Plans for the Regional Rail Division and Light-Rail Lines on the Suburban Transit and City Transit Divisions.

Responsible for developing the capital needs assessment for compliance with the FTA's MAP-21 State-of-Good Repair (SOGR) requirements, along with coordinating FTA Quarterly Meetings.

Project Coordination

Responsible for interface between the EM&C and Operations Divisions for scheduling and coordination of all project-driven outages and support. Based on the EM&C 5-Year Infrastructure Plan for the Regional Rail Division, this group twice-yearly develops and distributes the Priority Track Outage Memo for key projects that require major operational or service adjustments, such as bus substitution, timetable schedule adjustments, or train crew run changes. Also oversees the daily coordination efforts for track outages to balance safety and production, while minimizing service impact to our customers.

Safety

Responsible for developing and implementing the EM&C/TWU/UTU Safety Initiative Program to reduce injuries and improve overall safety for EM&C employees. This group is also the interface between EM&C and System Safety for addressing System Safety-initiated Corrective Action Plans, participating in the Joint Health & Safety Committees for Railroad and Transit Divisions, and attending routine joint-safety inspections.

SUPPORT SERVICES

Support Services manages and supports all of EM&C's external and internal customer service efforts ensuring that all EM&C departments are responsive, aware of and sensitive to issues affecting customers, neighbors and stakeholders. Responsible for serving as a liaison with all external and internal customers outside EM&C. Support Services also provides on-going maintenance of employee locations that have received Facilities Improvement Team remodels, ensuring that this substantial investment in workplace quality and morale is continually improved throughout the Authority.

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve Customer and Employee Safety and System Security	a) Work with System Safety, Legal and Government and Public Affairs on Hours of Service issues b) Initiate "Stay Back From the Edge" Program to increase passenger awareness on platforms while waiting for trains c) Continue to support System Safety with planned internal and external "Safety Days"
II. Improve Service Quality and Customer Satisfaction	a) Manage the Authority's Ambassador Program and personnel deployments for New Payment Technologies (NPT) and Customer Service and Advocacy initiatives b) Continue to analyze and develop Action Plans to address the Customer Service Survey Results c) Finalize and implement Emergency Service Disruption Plans and deployment of personnel teams in the event of an emergency service disruption d) Launch a customer focused comprehensive communication plan for SEPTA Key Program
III. Support Capital Improvement Projects	a) Continue Infrastructure capital needs assessment consistent with MAP-21 State-of-Good-Repair (SOGR) requirements b) Continue and actively lead the Missed Transportation Committee for the Railroad to address ridership growth
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	a) Establish Employee Recognition Program specifically tailored to individual Operating and EM&C Departments b) Ensure that Succession Planning and Workforce Planning efforts are properly carried out for Operations and EM&C c) Advance the Facilities Improvement Team (FIT) Program and keep FIT Program for districts and shops by developing work and cultural changes maintenance of FIT

(1) Deputy General Manager Staff

Current Goals	Initiatives
V. Improve Productivity and Cost Effectiveness	a) Manage Operations Departments' spending within budget allocations for Operating, Vehicle Overall, and Capital Budgets b) Establish Operations and EM&C Metrics Website, including Key Indicator metrics and safety statistics c) Continue to work towards reaching a mutually agreed-upon collective bargaining agreement with outstanding unions d) Continue to support SEPTA's sustainability initiatives
VI. Support the Authority's Implementation of New Technologies	a) Continue to support the advancement of New Payment Technology Program b) Ensure that all Parking Operations functions are integrated into the APT Atlas System.
VII. Nature Stakeholder Relationships	a) Support work to finalize fare payment interoperability with other public transit operators in the region b) Continue to participate and be engaged with initiatives and activities as related to the American Public Transportation Association (APTA) and Pennsylvania Public Transportation Association (PPTA)

Fiscal Year 2015 Major Accomplishment

Improved Service Quality and Customer Satisfaction

- Established "commercial style" heavy duty cleaning, on-going maintenance and inspection services at city locations as part of Facilities Improvement Project
- Partnered with Railroad Division contract management to introduce heavy duty cleaning methods at railroad locations as part of Facilities Improvement Project
- Partnered with The Dream Flags Project where SEPTA inspires students to participate in "Dreams in Transit" exhibitions. Dream Flags created by students are on display at Jefferson Station, 69th Street and Frankford Transportation Center
- Coordinated and managed the East Passyunk Crossing Civic Association art installation at SEPTA's substation located at 13th and Mifflin streets
- Managed the installation of the Temple Station landscape improvement project, establishing a low maintenance drought resistant garden that is pleasing to the eye and remains a usable railroad service yard
- Completed signage programs for station improvement projects, including: 30th Street Station Signage Improvement Project, 23rd & Venango Bus Loop, City Hall Station/Dilworth Park Improvements Project, Norristown Transportation Center, 69th Street Transportation Center, and Jefferson Station Naming Rights
- Completed comprehensive customer communication programs, including: Launched Dude It's Rude, Trolley Tunnel Blitz Station Improvement Project, Shuttle Service Projects, National Veterans Wheelchair Games Shuttle Bus Project, and Make the Safe Choice – Customer Safety Awareness Day
- Designed and built new customer website microsites, including: Rebuilding for the Future, Strategic Business Plan, and SEPTA Key
- Expanded customer (employee and rider) information video library, including: SEPTA Key, HR- Engineering Recruitment Campaign, Strategic Business Plan, Safety - Make the Safe Choice Campaign, Rebuilding for the Future Introduction, Trolley Tunnel Blitz, and Sustainability – Bike and Ride
- Redesigned the SEPTA Service Guarantee Program response formats to provide a better customer response

Improved Productivity and Cost Effectiveness

- Revenue Services recorded the lowest amount of errors in deposits since 1998

Supported the Authority's Implementation of New Technologies

- Supported development and design of SEPTA iPhone & Android Apps
- Completed New Payment Technology Systems Contract Phase 1 including Design, Advanced Pilot, and Test Lab
- Completed the manufacturing of transit fare collection equipment
- Completed Zone Offices to monitor fare lines operations
- Developed, designed and received the SEPTA Key Fare Vending Vehicle. This innovative mobile fare unit is intended to assist with the selling and validating of fare instruments via four (4) fare kiosks as designated by Finance and Operations at special events and/or as auxiliary sales locations
- Composed a new contract for magnetically encoded passes that will work in conjunction with the transition period of SEPTA Key integration
- In preparation for implementation of SEPTA Key, the Cash Room was renovated with new equipment including currency and coin counters, a conveyor system, and new workstations
- Modified 1,727 fare boxes with SEPTA Key on-board processors
- Managed the installation, testing and remediation of SEPTA Key Program equipment on 243 vehicles in preparation for Pilot Evaluation
- Studied and analyzed Airport Line cash/ticket collections for weekday and weekend riders. Determined the highest travel patterns for use in the redesigning of the Airport Line service

Supported Capital Improvement Projects

- Worked with Bus Maintenance and Operations to install 183 new fare boxes on NOVA vehicles
- Removed and replaced 25% of Legacy equipment at Subway/Elevated Stations.

Improved Employee Satisfaction and Developed a Highly Qualified Staff

- Established The EM&C Roundtable, a quarterly newsletter highlighting EM&C employees, their projects and the impact they have on the customer experience



SEPTA

Operations

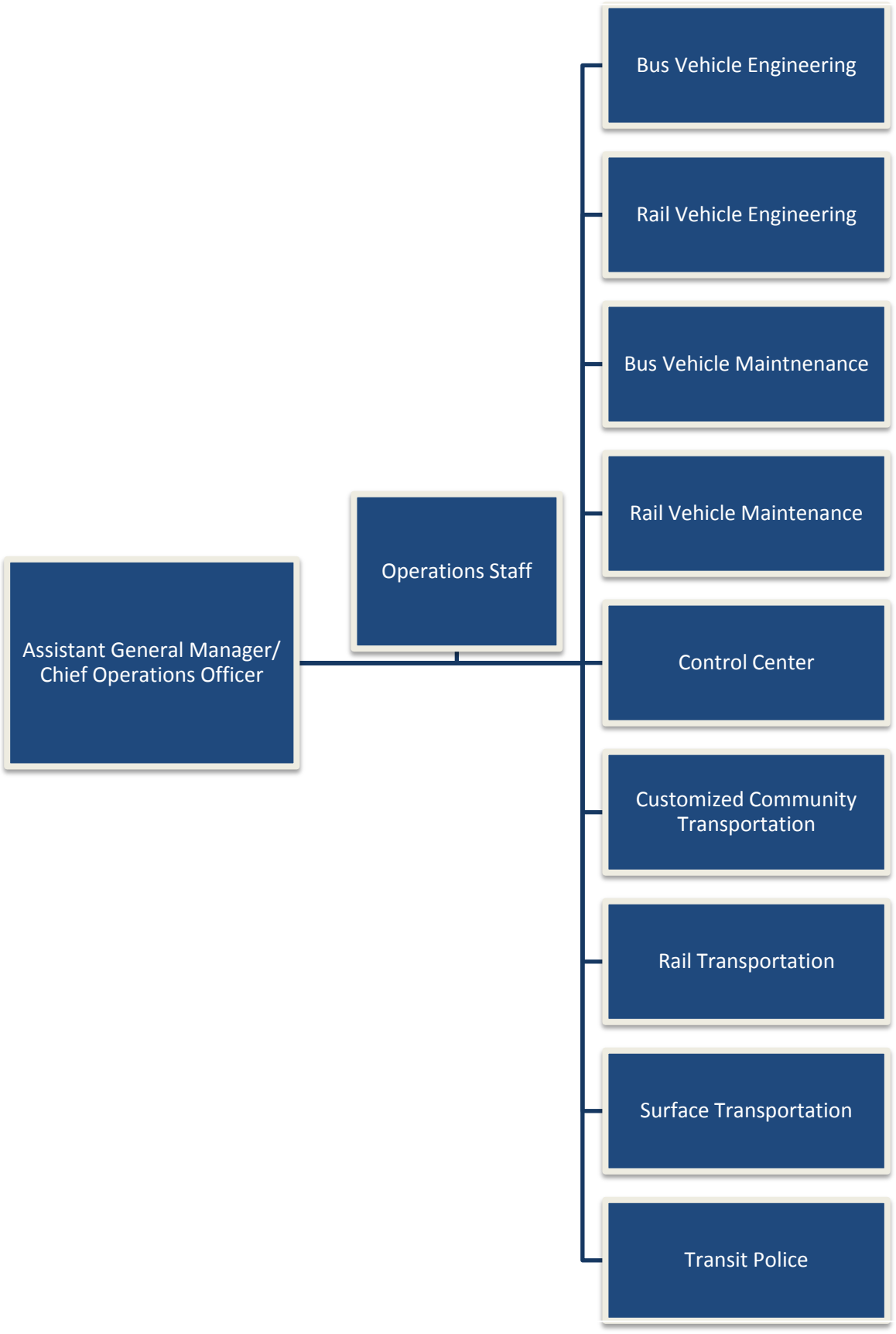
(2) Operations

Overview

The Operations Division provided 330.1 million annual passenger trips in Fiscal Year 2015, while operating 100.2 million vehicle miles. Total passenger miles exceeded 1.5 billion. The Division operates and maintains 2,770 revenue vehicles on 145 fixed routes, which have approximately 1,860 route miles, operates and maintains an inventory of 1,009 assorted non-revenue support vehicles and equipment, and provides service to 282 stations using over 450 miles of track and related facilities. In addition, Operations ensures law enforcement within the transportation system.

The Operations Division includes: Control Center, Customized Community Transportation, Operations Staff, Rail Transportation, Surface Transportation, Transit Police, Vehicle Engineering, and Vehicle Maintenance.

(2) Operations



Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Bus Vehicle Engineering	14	-	-	-	-	14
Rail Vehicle Engineering	15	4	-	-	-	19
Bus Vehicle Maintenance	79	12	774	-	-	865
Rail Vehicle Maintenance	102	19	748	-	-	869
Control Center	86	12	-	4	-	102
Customized Community Transportation (CCT)	49	-	-	-	-	49
Operations Staff	9	-	-	-	-	9
Rail Transportation	140	47	187	744	329	1,447
Surface Transportation	189	28	-	2,732	-	2,949
Transit Police	60	-	213	-	-	273
Total Operating Heads	**743**	**122**	**1,922**	**3,480**	**329**	**6,596**

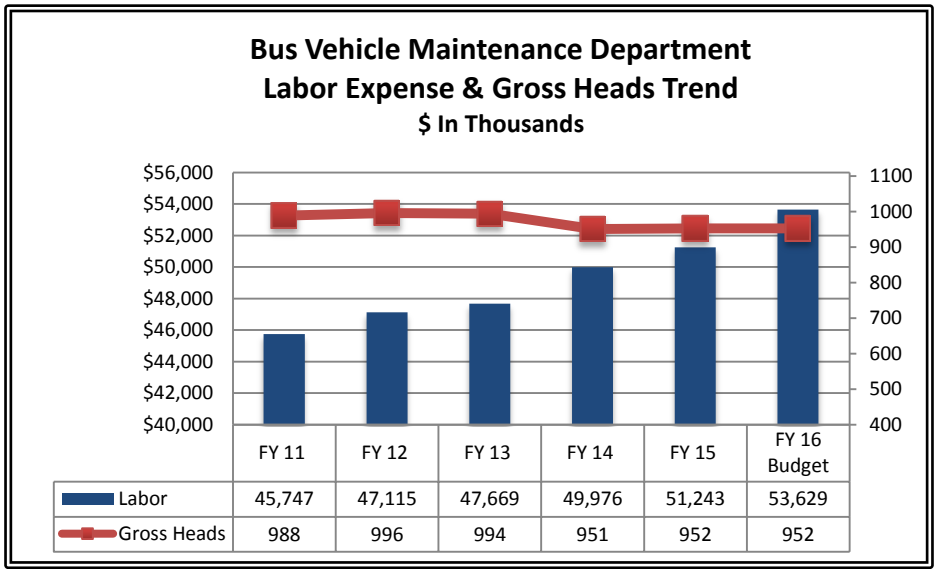
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Bus Vehicle Engineering	13	-	-	-	-	13
Rail Vehicle Engineering	24	-	-	-	-	24
Bus Vehicle Maintenance	11	1	79	-	-	91
Rail Vehicle Maintenance	15	-	140	-	-	155
Control Center	3	-	-	-	-	3
Customized Community Transportation (CCT)	41	-	-	24	-	65
Operations Staff	-	-	-	-	-	-
Rail Transportation	3	-	-	-	-	3
Surface Transportation	1	-	-	27	-	28
Transit Police	-	-	-	-	-	-
Total Capital Heads	**111**	**1**	**219**	**51**	**-**	**382**

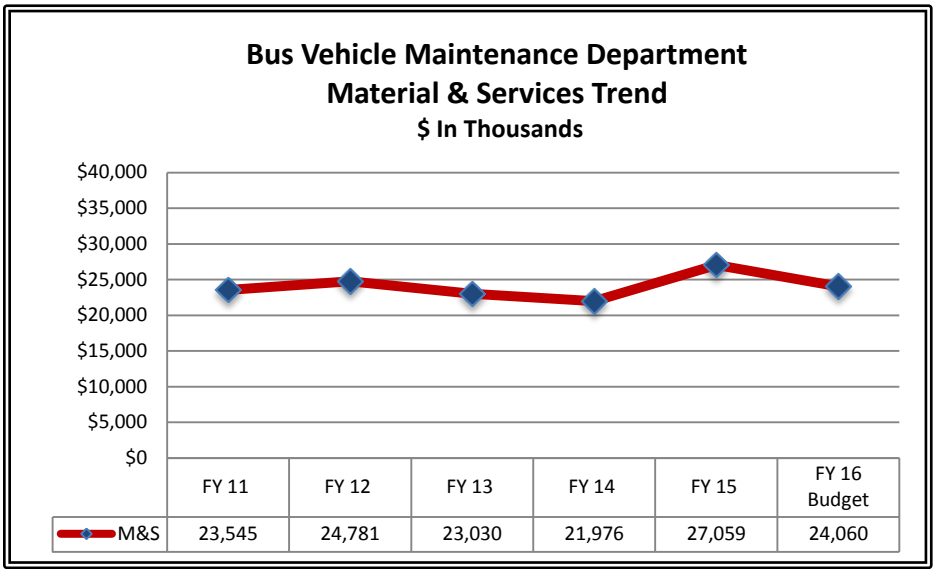
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Bus Vehicle Engineering	27	-	-	-	-	27
Rail Vehicle Engineering	39	4	-	-	-	43
Bus Vehicle Maintenance	90	13	853	-	-	956
Rail Vehicle Maintenance	117	19	888	-	-	1,024
Control Center	89	12	-	4	-	105
Customized Community Transportation (CCT)	90	-	-	24	-	114
Operations Staff	9	-	-	-	-	9
Rail Transportation	143	47	187	744	329	1,450
Surface Transportation	190	28	-	2,759	-	2,977
Transit Police	60	-	213	-	-	273
Total Heads	**854**	**123**	**2,141**	**3,531**	**329**	**6,978**

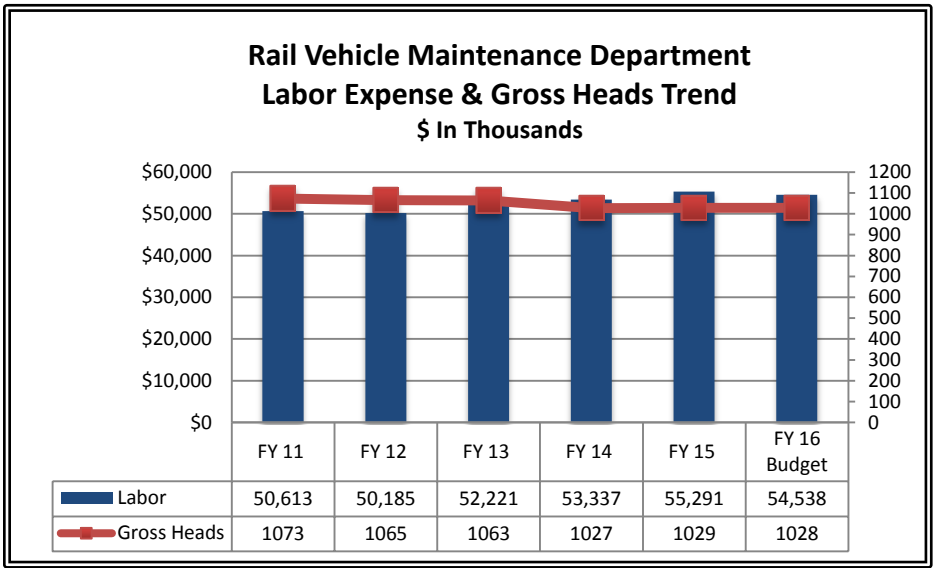
Fiscal Year 2016 Budget

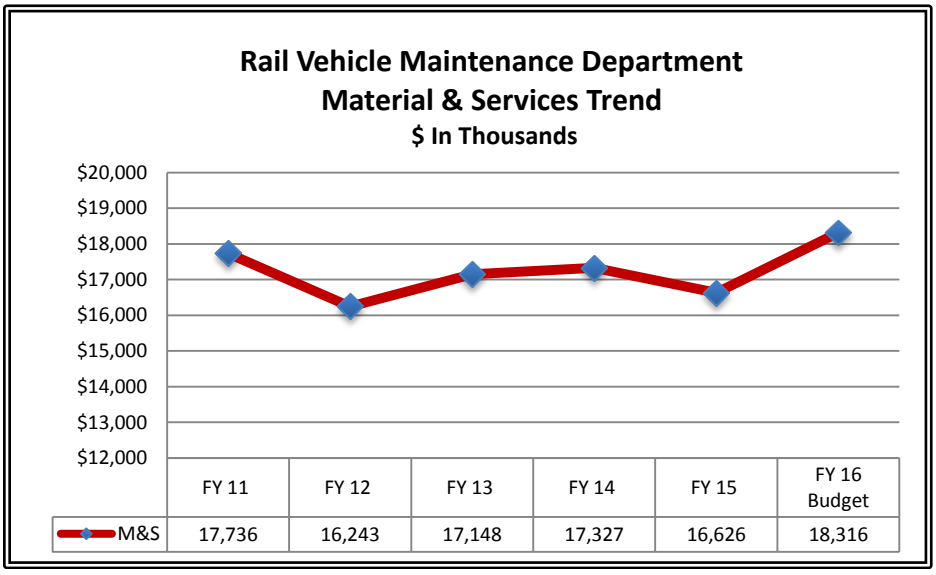
Amounts in Thousands (,000)

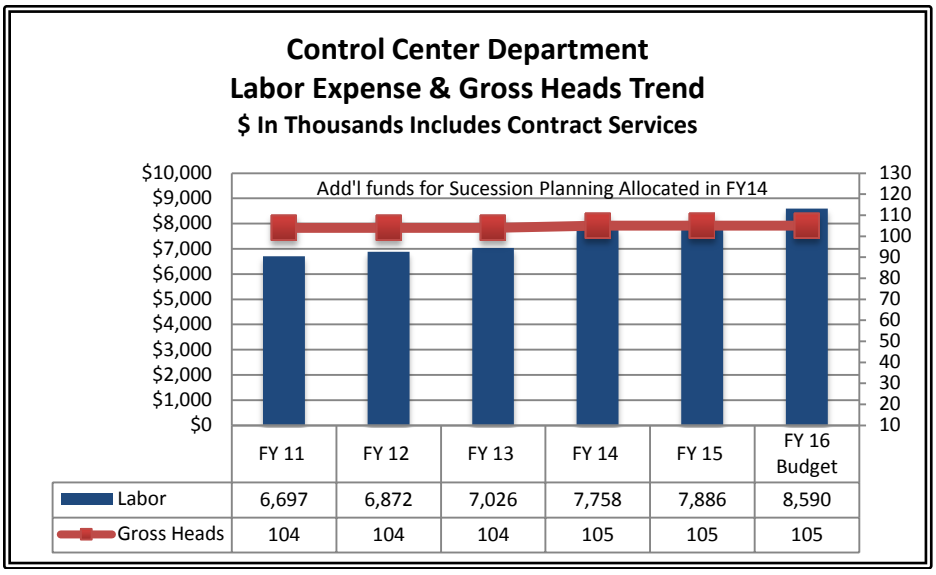
	Net Labor	Material & Services	Total
Bus Vehicle Engineering	$ 1,141	$ 2,700	$ 3,841
Rail Vehicle Engineering	1,456	90	1,546
Bus Vehicle Maintenance	53,629	24,060	77,689
Rail Vehicle Maintenance	54,538	18,316	72,854
Control Center	8,590	250	8,840
Customized Community Transportation (CCT)	8,202	2,904	11,106
Operations Staff	1,343	10	1,353
Rail Transportation	113,407	7,467	120,874
Surface Transportation	207,286	529	207,815
Transit Police	21,150	1,137	22,287
TOTAL	**$ 470,742**	**$ 57,463**	**$ 528,205**

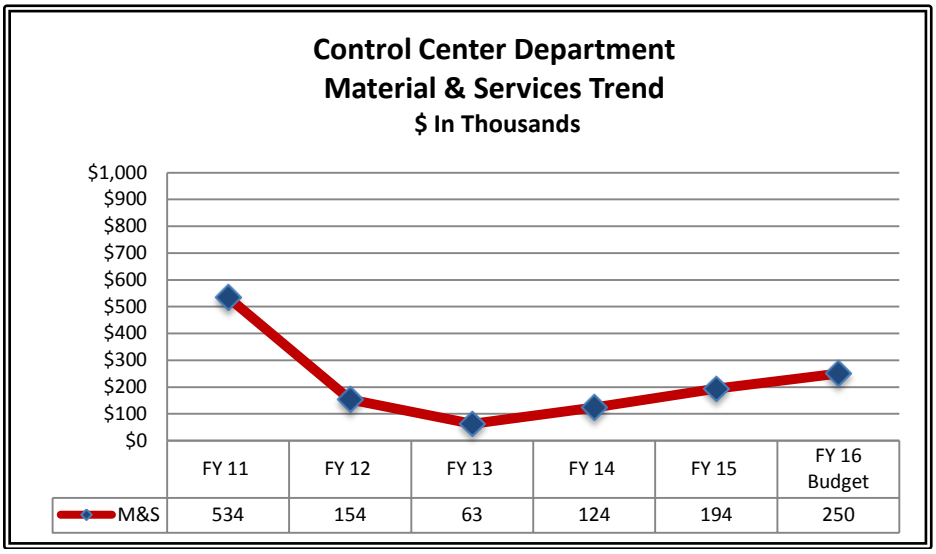


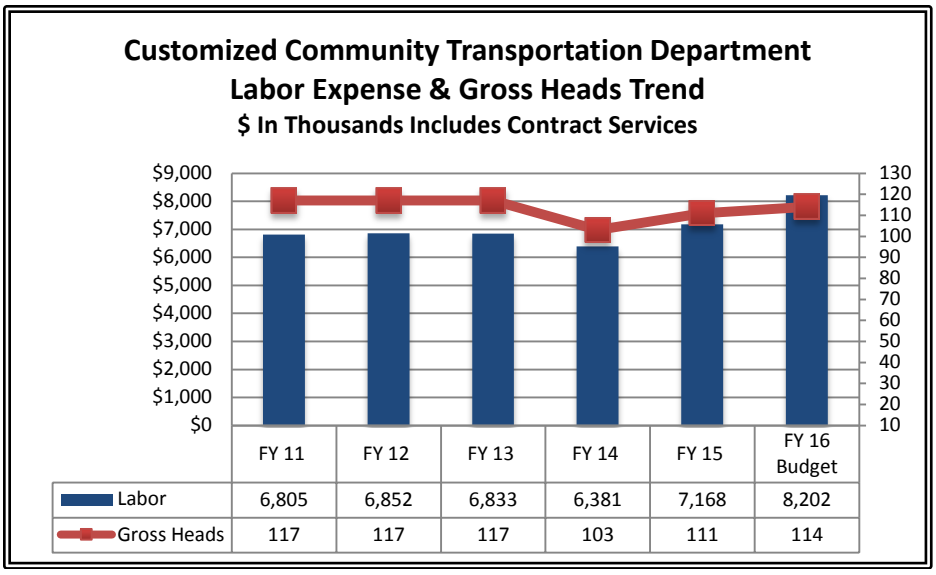

Bus Vehicle Maintenance Department
Material & Services Trend
$ In Thousands
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
M&S | 23,545 | 24,781 | 23,030 | 21,976 | 27,059 | 24,060

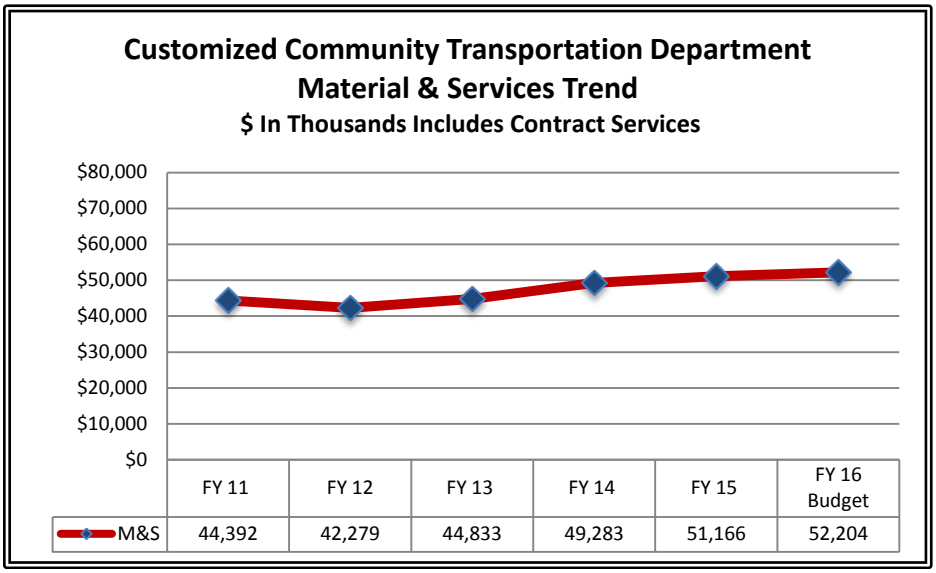

Rail Vehicle Maintenance Department
Labor Expense & Gross Heads Trend
$ In Thousands
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
1200
1100
1000
900
800
700
600
500
400
300
200
100
0
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
Labor | 50,613 | 50,185 | 52,221 | 53,337 | 55,291 | 54,538
Gross Heads | 1073 | 1065 | 1063 | 1027 | 1029 | 1028

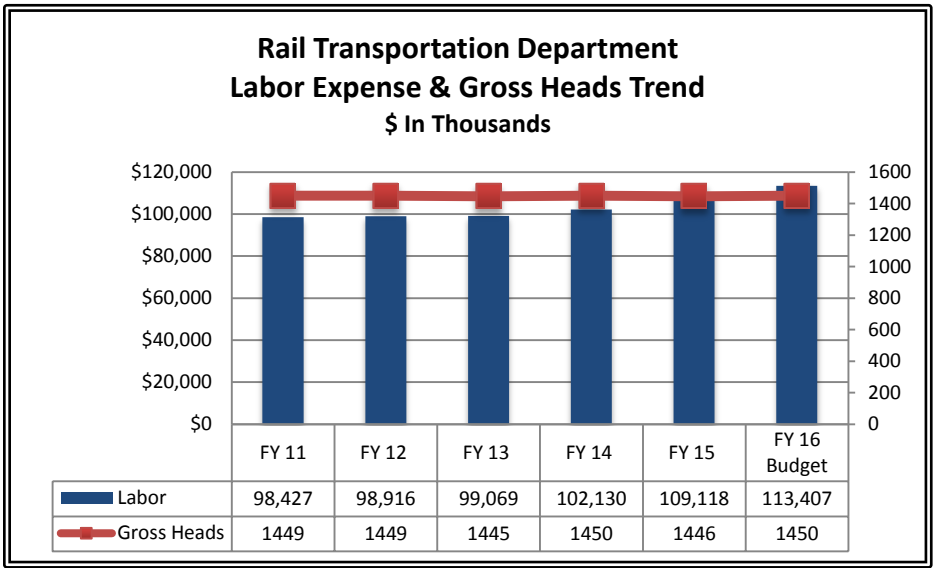

Rail Vehicle Maintenance Department
Material & Services Trend
$ In Thousands
$20,000
$19,000
$18,000
$17,000
$16,000
$15,000
$14,000
$13,000
$12,000
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
M&S | 17,736 | 16,243 | 17,148 | 17,327 | 16,626 | 18,316

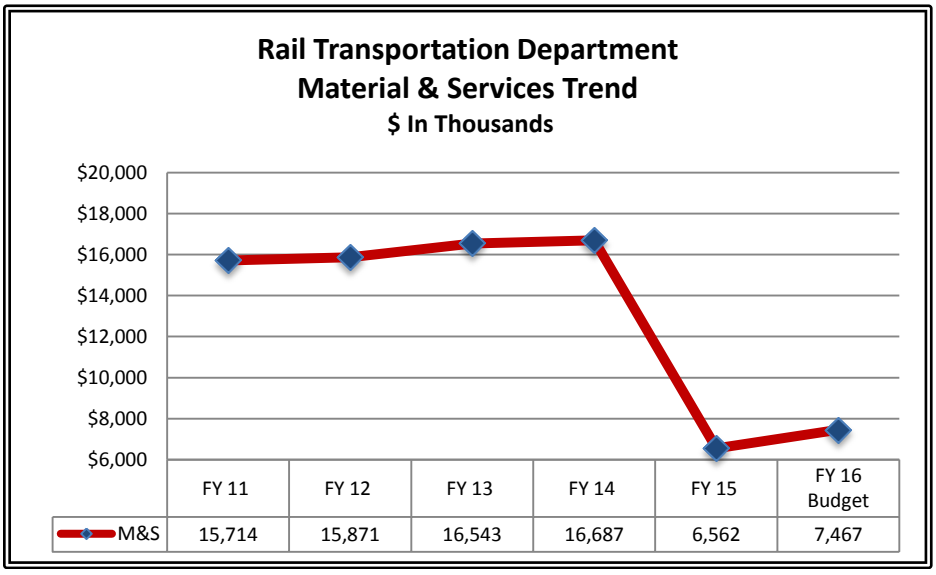

Control Center Department
Labor Expense & Gross Heads Trend
$ In Thousands Includes Contract Services
Add'l funds for Sucession Planning Allocated in FY14
$10,000
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
130
120
110
100
90
80
70
60
50
40
30
20
10
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
Labor | 6,697 | 6,872 | 7,026 | 7,758 | 7,886 | 8,590
Gross Heads | 104 | 104 | 104 | 105 | 105 | 105

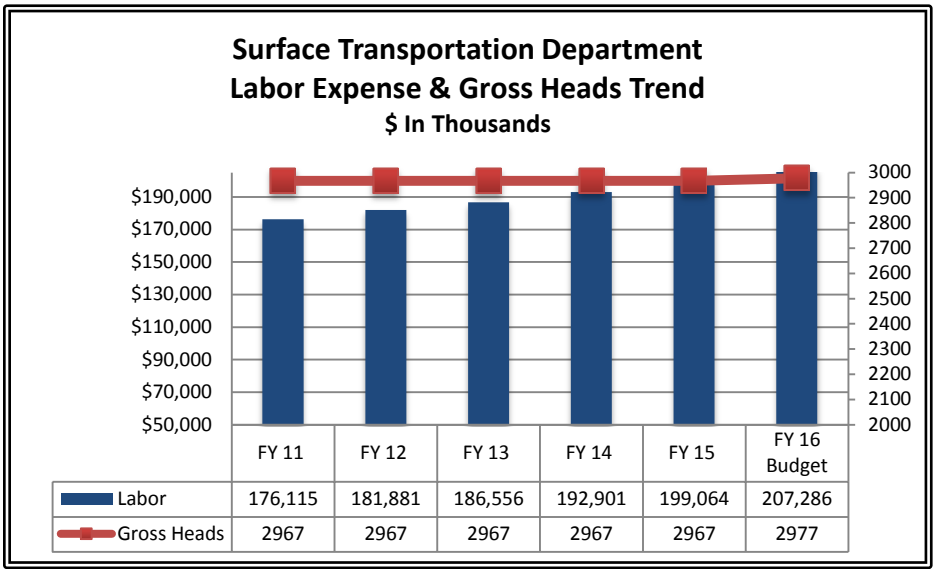

Control Center Department
Material & Services Trend
$ In Thousands
$1,000
$900
$800
$700
$600
$500
$400
$300
$200
$100
$0
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
M&S | 534 | 154 | 63 | 124 | 194 | 250

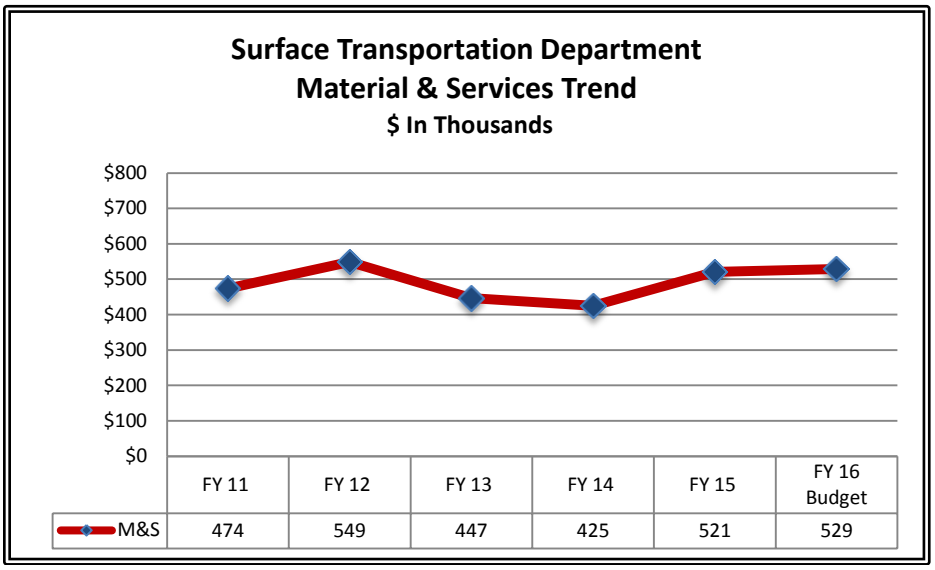

Customized Community Transportation Department
Labor Expense & Gross Heads Trend
$ In Thousands Includes Contract Services
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
130
120
110
100
90
80
70
60
50
40
30
20
10
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
Labor | 6,805 | 6,852 | 6,833 | 6,381 | 7,168 | 8,202
Gross Heads | 117 | 117 | 117 | 103 | 111 | 114

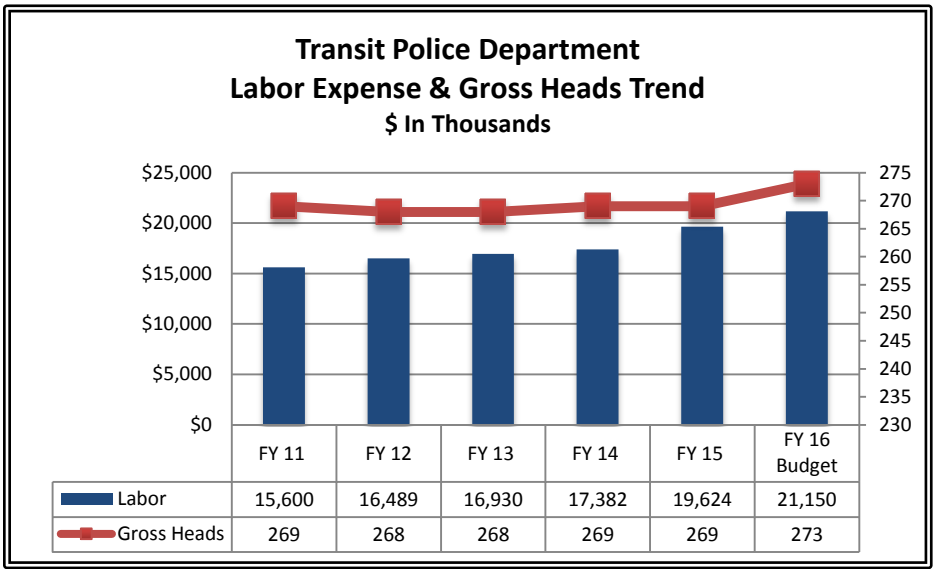

Customized Community Transportation Department
Material & Services Trend
$ In Thousands Includes Contract Services
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
M&S | 44,392 | 42,279 | 44,833 | 49,283 | 51,166 | 52,204

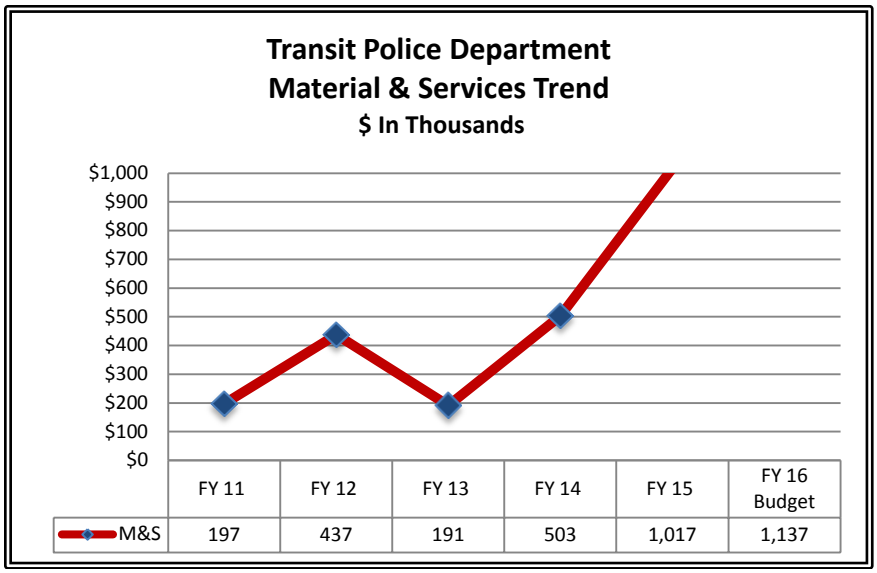

Rail Transportation Department
Labor Expense & Gross Heads Trend
$ In Thousands
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
1600
1400
1200
1000
800
600
400
200
0
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
Labor | 98,427 | 98,916 | 99,069 | 102,130 | 109,118 | 113,407
Gross Heads | 1449 | 1449 | 1445 | 1450 | 1446 | 1450


Rail Transportation Department
Material & Services Trend
$ In Thousands
$20,000
$18,000
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 Budget
M&S | 15,714 | 15,871 | 16,543 | 16,687 | 6,562 | 7,467


Surface Transportation Department
Labor Expense & Gross Heads Trend
$ In Thousands
$190,000
$170,000
$150,000
$130,000
$110,000
$90,000
$70,000
$50,000
3000
2900
2800
2700
2600
2500
2400
2300
2200
2100
2000
FY 11 FY 12 FY 13 FY 14 FY 15 FY 16 Budget
Labor 176,115 181,881 186,556 192,901 199,064 207,286
Gross Heads 2967 2967 2967 2967 2967 2977


Surface Transportation Department
Material & Services Trend
$ In Thousands
$800
$700
$600
$500
$400
$300
$200
$100
$0
FY 11 FY 12 FY 13 FY 14 FY 15 FY 16 Budget
M&S 474 549 447 425 521 529


Transit Police Department
Labor Expense & Gross Heads Trend
$ In Thousands
$25,000
$20,000
$15,000
$10,000
$5,000
$0
275
270
265
260
255
250
245
240
235
230
FY 11 FY 12 FY 13 FY 14 FY 15 FY 16 Budget
Labor 15,600 16,489 16,930 17,382 19,624 21,150
Gross Heads 269 268 268 269 269 273



Principal Responsibilities

BUS VEHICLE ENGINEERING
Oversee the engineering for bus, trackless trolley, and non-revenue fleets and responsible for the bus, CCT and utility vehicle acquisitions. Manage administrative, personnel and budgetary elements of Bus Vehicle Engineering, Rail Vehicle Engineering and Vehicle Maintenance groups.

Automotive Engineering
Provide all engineering support including specifications, drawings, vehicle modifications and system upgrades for all bus fleets. Investigate and resolve bus and fleet technical issues. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

New Vehicles
Oversee the purchase of all new bus, trackless trolley, CCT and utility vehicles for the authority. Manage the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various contracts.

RAIL VEHICLE ENGINEERING
Oversee the engineering for light rail, subway-elevated, and railroad fleets and is responsible for all rail vehicle acquisitions.

Rail Vehicle Engineering
Provide all engineering support including specifications, drawings, vehicle modifications and system upgrades for all rail fleets. Investigate and resolve rail and fleet technical issues. Support is provided to heavy maintenance facilities.

New Vehicles
Oversee the purchase of all new rail vehicles for the authority. Manage the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various contracts.

BUS VEHICLE MAINTENANCE
Oversee maintenance for bus, trackless trolley, and non-revenue fleets and responsible for bus and utility vehicle preventive maintenance overhauls.

Consists of the following nine locations:

- Philadelphia has six (6) maintenance locations
- Victory in Delaware County
- Frontier in Montgomery County
- Contract Operations located in the Germantown section of Philadelphia

These nine locations are responsible for all aspects of daily maintenance, cleaning, inspection and servicing for a fleet of over 1,400 vehicles.

Mechanical, Utility, and Brake Shops
Perform overhaul and heavy maintenance on bus and trackless trolley fleets. Perform maintenance on SEPTA's non-revenue utility fleet.

RAIL VEHICLE MAINTENANCE
Oversee the engineering and maintenance for light rail, subway-elevated, and railroad fleets and responsible for rail vehicle preventive maintenance overhauls.

Rail Equipment Maintenance
Perform programmed vehicle and component overhauls of various rail fleets as well as the inspection, maintenance and running repairs of the following rail fleets:

- MFSE M-IV fleet at the 69th Street and Bridge Street Car Houses
- Media-Sharon Hill Line LRV fleet at the MSHL Shop at 69th Street
- Norristown High Speed Line N5 fleet at the NHSL Shop at Victory Avenue
- BSS B-IV fleet at the Fern Rock Car House
- Subway/Surface LRV fleet at the Callowhill and Elmwood Shops
- Route 15 PCC-II fleet at the Callowhill Shop
- The following backshops perform vehicle component overhauls:
 - 69th Street Shop
 - 69th Street Motor Shop
 - Fern Rock Shop
 - Woodland Shop

Railroad Shops and Yards
Provide all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of EMU (electric multiple unit) cars and coaches (push-pull) propelled by electric locomotives

CONTROL CENTER

The Control Center is a centralized facility that manages the safe and efficient movement of all of SEPTA's operating modes and provides customer service alerts to our passengers. All Control Center functions and associated equipment are located at SEPTA's 1234 Market Street headquarters on the 19th floor. The Control Center personnel are responsible for ensuring that SEPTA's established service levels are maintained 24 hours a day, 7 days a week. The Control Center functions include:

Subway/Elevated Control

Train Dispatchers control the Market-Frankford Subway Elevated (MFSE) and the Broad Street - Ridge Avenue Subway (BSS).

On the MFSE, the train dispatcher can view the status of the entire line on a model board. Train Dispatchers have remote control over all thirteen (13) interlockings via the computer system. These thirteen (13) are Bridge, Erie-Torresdale, Allegheny, Huntingdon, Berks, Spring Garden, 5th Street, 15th Street, 30th Street, 40th Street, 52nd Street, 63rd Street and 69th Street.

On the BSS, the Train Dispatchers have a model board – and supervisory control of the Broad Street Subway interlockings including: Fern Rock Yard, Olney, Erie, Fairmount, Walnut-Locust, Snyder, Patterson and 8th & Market.

Light Rail Trolley Control

The Light Rail Trolley Controller utilizes a combination of radio consoles and computerized control systems to manage the six Center City trolley lines, the Routes 101 and 102 Media/Sharon Hill lines and the Route 100 Norristown High Speed Line. A Communications-Based Train Control (CBTC) system tracks train location and control to the Center City subway portion and GPS systems have been installed to track trolleys on the street.

Controllers of the Norristown High Speed Line have total supervisory control and complete monitoring capability of the line. The SCADA system providing this control includes both computer terminals and an overview screen.

Bus Control

The Bus Control Center utilizes a Computer-Aided Radio Dispatch (CARD) system to communicate with the entire bus fleet, supervisory and maintenance vehicles. The communications infrastructure includes 6 radio towers and a trunked radio system that has 7 voice channels and 2 data channels. All vehicles have Automatic Vehicle Location (AVL) systems.

Railroad Control

The Railroad Control Center utilizes a Centralized Train Control System to provide real time information and control functions to the 19th floor. Six (6) train dispatcher positions have the responsibility to operate switches and display signals on SEPTA-controlled territory managing the movement of 740 scheduled trains a day.

Control Center Information

Control Center Information Managers and Passenger Service Specialists monitor real time service delays and provide instant updates to customers through a variety of communication media. From station announcements and updates to the web-site to posts on Twitter and PA Ready Notify, the Control Center information staff helps to keep our customers informed of real time service disruptions.

Command Center
The Command Center serves as the central coordination room that allows SEPTA staff to manage all emergencies and major service disruptions.

The following Control Center Operations areas are also part of SEPTA's centralized Control Center facility but report to different Chiefs in the organization:

- Railroad Power Dispatching
- Subway/Light Rail Power Dispatching
- Police Radio Room
- CCT Control Operations
- Cashier Dispatching

CUSTOMIZED COMMUNITY TRANSPORTATION (CCT)
Customized Community Transportation (CCT) is responsible for the operation of SEPTA's two demand response services, ADA Paratransit and Shared Ride Program transportation. This full service operation, from advance reservations and customer service to shared trip completion, operates under the name "CCT Connect". It coordinates development of Requests for Proposals to contract for private operation of new services and provides for the efficient administration of existing contract carrier operations.

CCT coordinates SEPTA's compliance with the Americans with Disabilities Act (ADA) as it pertains to service, equipment and facilities, advising other operating departments on implementing accessible fixed-route service and facility improvements. It serves as liaison between other SEPTA divisions and the SEPTA Advisory Committee for Accessible Transportation (SAC).

CCT also oversees the Authority's customized small bus operations and public-private partnerships via its Contract Operations Department.

CCT Connect

ADA Services
Provide advance-reservation, ride-sharing paratransit service for eligible disabled riders in Bucks, Chester, Delaware, Montgomery and Philadelphia counties.

Shared Ride Program (SRP)
Provide advance-reservation, ride-sharing transportation for Philadelphia County riders age 65 and older, regardless of income or disability status.

Contract Operations

Breeze
Operates SEPTA's small bus service known as the Horsham "Breeze". This service provides transportation designed to meet the needs of employers in SEPTA's suburban service area.

LUCY
Operates a fixed route bus loop in the University City area of West Philadelphia. The service is funded by subsidies from the University City District and operates weekdays between 7:00 a.m. and 7:00 p.m.

Cornwells Heights Shuttle
Operates a small bus shuttle within the 1,600-space park-and-ride lot at Cornwells Heights train station.

Contracted Services
Provides management oversight and compliance of contracts between SEPTA and third party providers of fixed route services (Routes 204 and 205).

RAIL TRANSPORTATION

Rail Transportation operates railroad and subway-elevated service throughout the five county region. Rail Transportation also includes revenue collection, station staffing and cleaning.

Regional Rail
Oversee all transportation, customer service, station operation, ticket sales and on-board fare collection for the railroad system. The regional rail system includes 280 route miles on 13 lines or branches. Approximately 735 trains service a total of 153 stations per average weekday.

Subway-Elevated

Transportation
Subway-Elevated Transportation is organized into two sections: Market–Frankford Subway-Elevated (MFSE) and Broad Street Subway (BSS).

The MFSE operates 380 revenue trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSS operates 598 revenue trains each weekday between the Fern Rock Transportation Center and AT&T Station as well as along the Ridge Avenue Spur.

Station Cleaning
The Subway-Elevated stations group oversees the cleaning of 28 Market-Frankford Subway-Elevated stations, 25 Broad Street Subway and 8 trolley stations.

SURFACE TRANSPORTATION

Operate surface transit modes throughout the five county service area with service originating from nine operating locations in the region. Each operating district has full responsibility for transportation service of the transit fleet in that location.

The nine operating districts operate a total of 118 bus, 3 trackless trolley routes, 8 trolley (light rail) routes and one interurban high speed (heavy rail) line. It should be noted that the number of bus routes identified by operating district in this section differs from the total number reported elsewhere because 14 bus routes are operated out of more than one district as operating conditions necessitate. These are the nine operating districts in Surface Transportation:

1. **Allegheny** - operates 8 bus routes.
2. **Callowhill** - operates 12 bus routes, in addition to trolley (light rail) routes 10 and 15.
3. **Comly** - operates 14 bus routes.
4. **Elmwood -** operates trolley (light rail) routes 11, 13, 34, and 36.
5. **Frankford** - operates 13 bus routes and 3 trackless trolley routes.
6. **Midvale** - operates 24 bus routes.
7. **Southern** - operates 18 bus routes.
8. **Frontier** - operates 22 bus routes.
9. **Victory** - operates 21 bus routes, 2 trolley (light rail) lines and 1 heavy rail line.

TRANSIT POLICE

Ensure a safe work and travel environment and enhance the quality of life through law enforcement and protection against crime.

Operations Division

Responsible for patrol (primarily in uniform) of the Broad Street Subway Line, Market Frankford Line, Trolley Lines, Regional Rail and all SEPTA properties.

Quality Control Division

Investigate complaints of transit police misconduct and ensure that the service being provided is at the expected level. Maintain professional and interoperable communications. Manage Record Management System.

Special Operations Division

Responsible for counterterrorism prevention and training; hot spot policing initiative with Team One personnel. Recruit and train new officers. Conduct criminal investigations and engage in undercover operations; conduct background investigations for new hire candidates.

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve Customer and Employee Safety and System Security	a) Develop comprehensive programs to implement "Stay Back from the Edge" Program to increase passenger awareness on platforms while waiting for trains b) Work with System Safety to advance current safety programs at all operating locations c) Utilize statistical data to reduce incident rates of employee injuries and vehicle accidents d) Support signal upgrade projects that enhance the safety of train and trolley operations e) Continue advancement of initiatives and recommendations developed through audit activities and incident investigations f) Continue to improve response to service disruptions g) Develop quality assurance and quality control programs with focus on safety critical items. h) Support regional efforts to report security concerns to transit i) Continue enhancement of the Police Deployment Plan j) Continue use of CCTVs and other technology for operational response and criminal investigations k) Continue efforts to address quality of life activities on the SEPTA system
II. Improve Service Quality and Customer Satisfaction	a) Continue to support BASCSC (Building a SEPTA Customer Service Culture) Initiatives b) Continue to improve handling of and reducing response times to Customer Service issues c) Provide full support of various projects being implemented or constructed to improve the customer experience d) Develop metrics to track and improve areas directly impacting the customer experience during both regular service delays and service disruptions

Current Goals	Initiatives
II. Improve Service Quality and Customer Satisfaction *Continued*	e) Continue special focus of Philadelphia Special Events including Flower Show, Welcome America, Made in America, Broad Street Run, World Family Day, including Papal visit, and the Democratic National Convention f) Continue to improve Customer Service and Communications by investigating new methods to share Real Time Information and coordinating these efforts with Information Technology, Communications, Customer Service and Advocacy and Communications and Signals Departments g) Maintain the cleanliness of all vehicles, stations, and loops at a high level h) Develop multi-divisional Task Forces to analyze and improve daily operations
III. Support Capital Improvement Projects	a) Develop a strategic plan for the future procurement and annual vehicle overhaul programs of bus and rail vehicles that can be adopted by the Capital Planning Committee b) Rebuilding the Future is a top priority. Develop Operations' plans to support all critical infrastructure related projects c) Develop plans for the expansion of SEPTA's revenue fleet to meet the ridership demands identified by the Finance Division
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	a) Continue to support SEPTA's AIM (Succession Planning) Program/Workplace Development Program and continue to encourage full utilization of Learning Connection courses for all staff b) Continually work to enhance communication efforts between all levels of Operations/EM&C Division c) Continue with efforts to establish a comprehensive Employee Recognition Program

Current Goals	Initiatives
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff *Continued*	d) Focus on the hiring of Operations' critical positions. e) Support all training efforts to prepare Operations' employees for the deployment of new technology f) Support FIT/Outlying Yard Facility construction projects and activities to maintain facelifts after completion of work
V. Improve Productivity and Cost Effectiveness	a) Continue to support the Authority's Sustainability Initiatives b) Launch Resilience Program of capital investments and continue to track and prioritize future resilience initiatives through Transit Asset Management (TAM) system c) Continue to advance efforts to advance ESMS initiative at shop locations and identify /implement energy saving opportunities d) Partner with Strategic Planning and Analysis on the implementation of SEPTA's Bile Action Plan e) Identify current business practices to undergo a LEAN analysis
VI. Support the Authority's Ridership Growth Efforts	a) Support all efforts in the proposed expansion of Elwyn to WAWA and NHSL projects b) Work with Service Planning and Strategic Planning on developing models and conduction studies to address projected ridership growth and impact to vehicle procurement and schedules c) Support continuation of late night service on the Broad Street and Market-Frankford Lines. d) Evaluate opportunities to increase revenue vehicles space to support increased bicycle capacity e) Support construction activities for the Lansdale Parking Garage Project f) Work in partnership with Service and Strategic Planning to explore the feasibility of realigning a surface bus route to operate seasonally around key sites

Current Goals	Initiatives
VII. Support the Authority's Implementation of New Payment Technologies	a) Continue to support the advancement of New Payment Technologies Program b) Advance RRD Positive Train Control (PTC) Project c) Continue to evaluate new technologies for vehicles to reduce fuel consumption d) Advance programs intended to improve operations efficiencies, reduce paperwork, increase reliability and enhance the customer experience e) Evaluate all vehicle fleets and implement technology improvements to increase operational efficiencies
VIII. Nature Stakeholder Relationships	a) Support SEPTA's coordination efforts with Federal, State and Local government agencies b) Continue to participate and be engaged with initiatives and activities as related to the American Public Transportation Association (APTA) and Pennsylvania Public Transportation Association (PPTA) c) Continue coordination efforts with Amtrak. Work diligently to achieve SEPTA Strategic Business objectives as they relate to Amtrak corridors travelled by SEPTA d) Work cooperatively with other public transit operators in the region such as PATCO, NJT, and DART e) Maintain good business relations with freight carriers CSX, Norfolk Southern and Conrail

Fiscal Year 2015 Major Accomplishments

Improved Service Quality and Customer Satisfaction

- Initiated the development of SEPTA's Operations and Station Plan for World Meeting of Families and Papal Visit
- Coordinated the following events: Made in America/Welcome America, Broad Street Run, Thanksgiving Day Parade, Philly Marathon, and Veterans Wheelchair Games
- Improved Adverse Weather Plans for all modes
- Implemented FRA recommendation to identify and mark all rail territory where a difference in Maximum Authorized Speed (MAS) of more than 20mph exists and warn crews of the drastic reduction
- Ensured policy enforcement resulting in a reduction of No Show/Late Cancellation suspensions from a count of 310 in July 2014 to 77 in May 2015
- Achieved successful completion of Nova Bus implementation at various transportation locations
- Centralized the Suburban Victory and Frontier supervisor staffs, January, 2015
- Enhanced processes for improving Mean Distance Between Failure (MDBF) at all locations

Improved Productivity and Cost Effectiveness

- Processed improvements to reduce ADA eligibility application processing time reduced from monthly average of 48 days to 5.6 days
- Worked with state and federal consultants in the FY 2013 Program Review of the SRP Programs as well as the FTA's NTD FY 2014 Audit with no findings of program deficiency
- Revamped reporting and pull-in requirements for Surface Transportation operators improving efficiencies and cost savings
- Negotiated a Liquidated Damages Settlement with Sojitz/Hyundai Rotem USA related to the Silverliner V procurement to perform interior overhauls on 14 push-pull coaches

Improved Customer and Employee Safety and System Security

- SEPTA successfully responded to Amtrak derailment
- Initiated active use of CCTV for virtual patrol on 3px11p shift
- Achieved a 16% reduction in reported Part One Crimes (Murder, Rape, Robbery, Aggravated Assault, Burglary, Theft and Arson) on Subway-Elevated from calendar year 2013 to 2014
- Completed assignment of Tasers to all Transit Police personnel
- Initiated "Stay Back From the Edge" Safety Campaign, January 2015
- Modified Signal System entering AT&T Station as result of a Process Audit and Risk Assessment, June 2015
- Completed Fatigue Awareness Training at most of the nine operating locations
- Initiated an Accident Reduction Campaign
- Achieved replacement of mirrors on existing New Flyer buses
- Implemented ~~"O~~peration Eye Opener" a campaign to heighten safety awareness of all our operators in various operating environments

Supported the Authority's Implementation of New Technologies

- Updated Train View feature on SEPTA's web site
- Developed an automated Twitter post for all RRD once 10 minutes or more Late

Supported Capital Improvement Projects

- Supported Key Construction Projects: 16 Day Tunnel Blitz, 10 Week Media Line Busing, and Positive Train Control Design for Control Center work stations
- Received SEPTA Board approval for the purchase of 13 and an additional option of 5 electric locomotives to replace and increase the current fleet of 8. As of the fiscal year-end, final contract details are in progress and a notice to proceed is anticipated to occur early in FY 2016
- Completed specification and bid package for up to 45 new multi-level push-pull coaches and cab cars

Improved Employee Satisfaction and Developed a Highly Qualified Staff

a) Trained management and hourly personnel



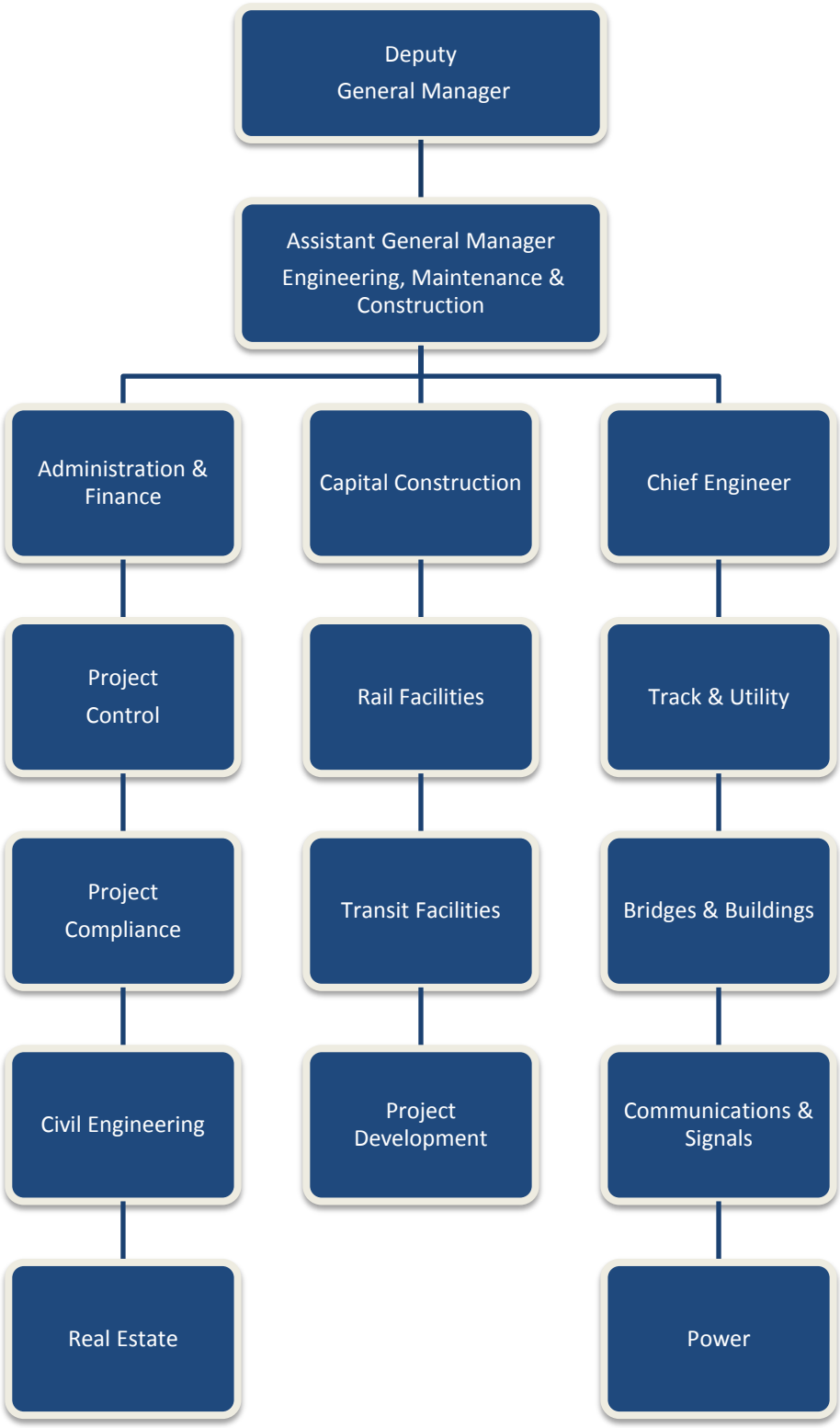
SEPTA

Engineering, Maintenance and Construction

(3) Engineering, Maintenance and Construction

Overview

The Engineering, Maintenance and Construction Division is responsible for all engineering and maintenance related to the Authority's stations, buildings, bridges, track, communications and signal and power systems. The Division is also responsible for capital construction of both transit and railroad facilities and right-of-way elements.



Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Projects	19	5	-	-	-	24
Operations Support	169	64	785			1,018
Total Operating Heads	**188**	**69**	**785**	**-**	**-**	**1,042**

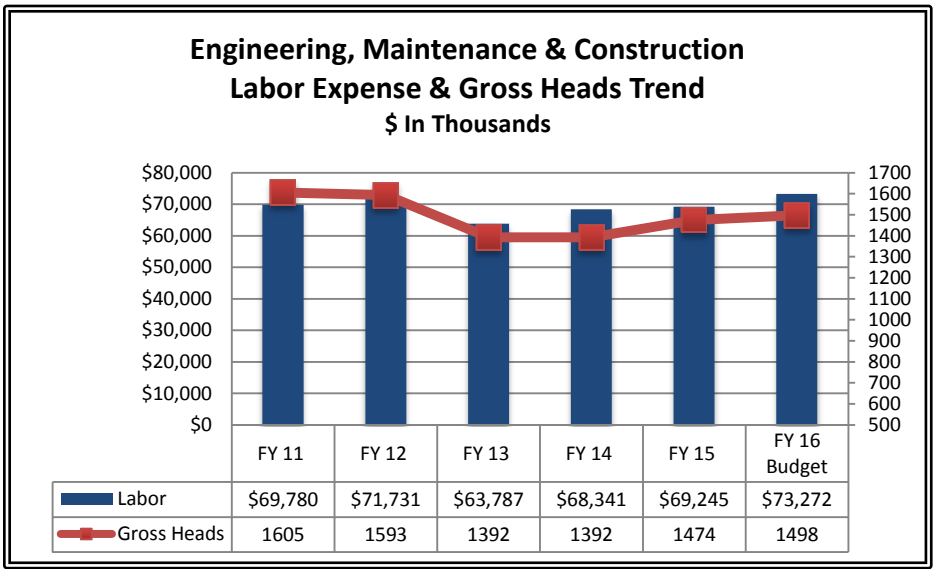
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Projects	60	-	-	-	-	60
Operations Support	89	7	300	-	-	396
Total Capital Heads	**149**	**7**	**300**	**-**	**-**	**456**

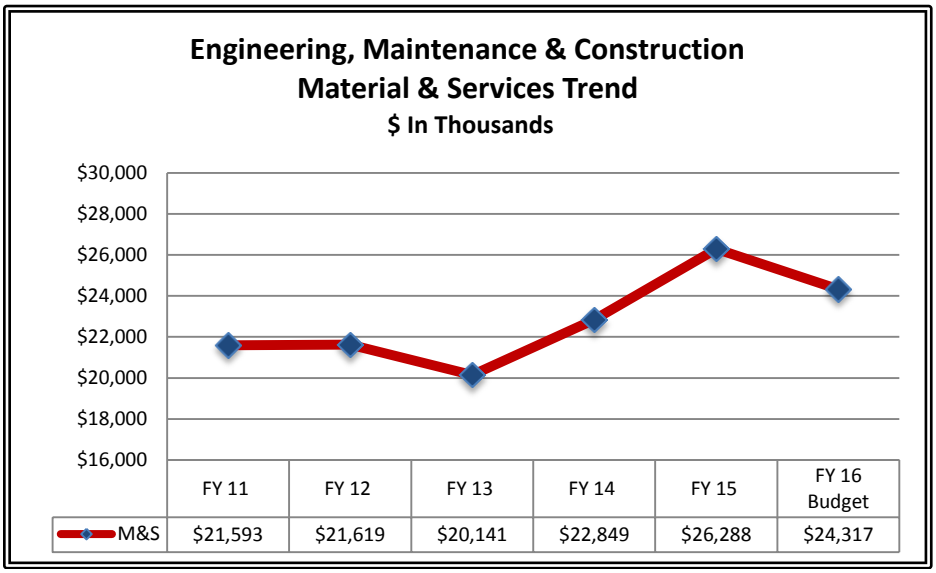
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Projects	79	5	-	-	-	84
Operations Support	258	71	1,085	-	-	1,414
Total Heads	**337**	**76**	**1,085**	**-**	**-**	**1,498**

Fiscal Year 2016 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Capital Projects	$ 1,700	$ 2,803	$ 4,503
Operations Support	71,572	21,514	93,086
TOTAL	**$ 73,272**	**$ 24,317**	**$ 97,589**





Principal Responsibilities

ADMINISTRATION & FINANCE
Coordinate and manage the financial and administrative activities for the Engineering, Maintenance and Construction Division. Primary responsibilities include: Operating Budget; ISRP development, analysis and reporting; Human Resource administration; Contract Management; and Asset Maintenance Management System development.

PROJECT CONTROL
Provide budgeting, cost control, scheduling, claims management and capital program systems support to project management staff. Responsible for the centralized monitoring and reporting of SEPTA's Capital Spending Program including the publication of the monthly Fiscal Year Capital Performance Report and the annual Fiscal Year Capital Spending Forecast for the Authority.

PROJECT COMPLIANCE
Provide Quality Assurance/Quality Control and oversight for the capital program. Responsible for the development and implementation of document control procedures and Project/Construction Management Standards. Also prepares submittals for environmental and historical regulatory approvals.

CIVIL ENGINEERING
Provide Civil engineering services for all maintenance and renewal projects. Coordinate and provide oversight for public agency, utility, and private work on, over, or adjacent to SEPTA's right of ways.

CAPITAL CONSTRUCTION – PROJECT DEVELOPMENT
Develop conceptual designs, cost estimates, and Request for Proposal documents for design projects. Manage the awarded design projects through to completion of design phase. Provide cost estimating services for Divisional projects.

CAPITAL CONSTRUCTION – RAIL FACILITIES
Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, track, signals, bridges and parking facilities for railroad operations.

CAPITAL CONSTRUCTION – TRANSIT FACILITIES
Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, maintenance facilities and garages for transit operations.

ENGINEERING AND MAINTENANCE – BRIDGES AND BUILDINGS
Provide structural, architectural and mechanical engineering services; perform all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops, and electrical/mechanical infrastructure. Perform regular inspection of all bridges, tunnels, buildings and other structures, and fixed plant infrastructure.

ENGINEERING AND MAINTENANCE – COMMUNICATIONS AND SIGNALS
Perform regular inspection, testing, maintenance, and reconstruction of the signal system; provide engineering and design services for all signals and communications maintenance and renewal projects; perform all radio, telecommunications and railroad communication maintenance. Manage the engineering and construction for capital projects for communication and signals infrastructure.

ENGINEERING AND MAINTENANCE – POWER
Perform regular inspection, maintenance and reconstruction of electric traction and signal power systems and electrical infrastructure; provide engineering and design services for all related maintenance and renewal projects. Manage engineering and construction for capital projects for power and electrical infrastructure.

ENGINEERING AND MAINTENANCE – TRACK AND UTILITY
Perform inspection, maintenance and reconstruction of track and right-of-way areas; provide track engineering and design services for all maintenance and renewal projects; operate Track Shop to support Authority's requirements for routine and specialty track design and fabrication; operate Midvale Utility Group which oversees the use of non-revenue and utility vehicles.

REAL ESTATE

Property Development and Acquisition
This unit within the Real Estate Department manages real property dealings on behalf of the Authority, including carrying-out activities pertaining to the acquisition, development, leasing and sale of SEPTA-owned properties. Department staff also works with external parties in the joint development of leased properties, undertaking of public improvements, the establishment of revenue generating utility occupancy arrangements, and the transaction of land and facility acquisitions that provide for and support infrastructure and ridership enhancements.

Headquarters Support Services Management/Administration
This unit oversees office space planning, design and implementation, and day-to-day facilities management (which is performed by third party contractors) for SEPTA Headquarters at 1234 Market Street. Unit staff acts as liaison with contracted building operations management and SEPTA in-house labor. Coordinating the utilization of motor vehicles and the administration of all contracted vendateria services are also conducted by the staff of this unit.

Asset Management
The key responsibility of the Asset Management unit is the use and upkeep of the Real Estate Management System which stores, organizes and makes available an electronic version of real property documents, diagrams and maps. The system can provide a property inventory, automated contract administration cues, and the generation of qualitative and quantitative reports.

Mail and Document Reproduction Services
This unit manages the operation of the mail room and the performance of mail services in compliance with the applicable labor contract and U.S. Postal requirements. Staff also oversee and manage centralized document reproduction services.

(3) Engineering, Maintenance and Construction

Fiscal Year 2016 Goals & Business Initiatives

Current Goal	Initiatives
I. Rebuild the system	a) Control capital project spending by keeping costs within 5% of budget b) Achieve targets (80% within 90 days of schedule) for NTP substantial completion, and interim milestones for all A&E and Construction c) Pursue Capital Project Control initiatives focusing on VEC and GEC contracts d) Commence, advance and complete all scheduled Engineering and Maintenance Department ISRP projects e) Maintain State of Good Repair database to provide a Capital Asset Inventory and an analysis of Capital Investment backlog and investment alternatives f) Advance design and construction projects under Rebuilding for the Future Program, including new traction power substations, bridge and viaduct replacements/rehabilitations, station improvements, and maintenance facility roof replacements
II. Sustainability	a) Promote cost effective implementation of sustainability projects by incorporating LEED and Energy Star design standards, while adhering to budgets b) Manage capital investments to reduce long term utility costs by completing energy efficient lighting improvement projects. Advance Guaranteed Energy Savings Projects (ESCO). Conduct energy audits to find additional savings opportunities c) Continue to improve the Authority's recycling program at stations and operating locations d) Advance Wayside Energy Storage Project e) Continue to harden our infrastructure to combat severe weather f) Advance Combined Heat and Power project

Current Goal	Initiatives
III. Safety and Security	a) Conduct Internal and External Safety Days to focus on employee and rider/public safety issues b) Advance System Modernization Projects including ATC/PTC (RR and M/SH), elevator control modernization, Frankford haunch repairs, City Hall Cameras, and Bus Lift Replacement c) Insure ongoing infrastructure maintenance by insuring strict compliance with all mandated standards, agency regulations, and internal policies and procedures for rail and transit safety. Regular inspections and preventive maintenance to be performed in accordance with all codes, regulations and OEM recommendations. Employee IOD lost time to be measured and monitored with targets for reduction established
IV. Expand System Capacity	a) Advance projects that support ridership growth b) Advance North Wales and other station parking expansion projects
V. Customer Service	a) Support customer service related operating and maintenance projects including railroad snow removal, cleanliness of facilities, loops, and stations, maintenance blitzes at multi-modal transportation centers, maintenance to elevators and escalators to meet reliability targets, timely response to Veritas reports/Customer Service issues, and the coordination of maintenance and construction activities to minimize track outages b) Support customer service related capital projects such as construction at Wayne Junction Station and 69th Street West Terminal
VI. New Technologies	a) Pursue communications-based technological upgrades including Positive Train Control, wireless delivery of real time service information, cell phone access in SEPTA tunnels, Wi-Fi internet access hotspots, and new Asset Management software

Current Goal	Initiatives
VII. Human Capital Development	a) Minimize employee turnover and improve hiring process management b) Implement and encourage Employee Training through a Rapid Assimilation Program for new Engineers, elevator/escalator maintenance apprentice program, and full utilization of SEPTA Human Resources SAM Training seminars, and support the AIM training / succession planning program c) Assist the Division's Professional Engineers in obtaining continuing education credits required to maintain Pennsylvania license d) Review and update at least 50% of the relevant skills qualification tests administered by the Testing Center

Fiscal Year 2015 Major Accomplishments

- **Reaching 150 Miles of Catenary Replacement**
 On June 12, 2015, SEPTA's Power Department celebrated the achievement of replacing 150 miles of railroad catenary. The replacement took place from 2000 into 2015. Multiple consultants participated in the designs with approximately half of the design done in house. The construction of the wire replacement was done by a dedicated work force. For fifteen years this group worked through all types of conditions from extreme cold to excessive heat. They have worked days, nights and weekends. This is a major accomplishment for SEPTA and the Engineering, Maintenance and Construction Division.

- **Wayne Junction Station and Historic Preservation Award**
 Years of heavy use, changing commuter patterns, deferred maintenance and vandalism had overrun this landmark in the Colonial Germantown Historic District. Utilizing Federal Transportation Administration grant funds, combined with bond funds, SEPTA embarked on a comprehensive program to revitalize the character of the original station while providing SEPTA passengers a universally accessible, safe and efficient means of transportation. A federally mandated process set forth by the State Historic Preservation Office (SHPO) was followed to:
 - Preserve the tradition and the functionality of the station
 - Ensure the historic integrity of this piece of railroad history while introducing sympathetic interventions
 - Upgrade compliance with the Americans with Disabilities Act (ADA)
 - Restore a Philadelphia and Railroad jewel that will stimulate neighborhood revitalization

 SEPTA's design team, led by professional firms, prepared comprehensive construction documents to address the needs and goals of the program. Key components of this improvement project include:
 - Rehabilitating the historic station's platforms, providing level boarding through the construction of high-level platforms
 - Renovation baggage room building, waiting room building
 - Removing and replacing canopies
 - Installing ADA compliant elevators and ramps
 - Restoring passenger tunnels and stairways from Wayne, Germantown and Windrim Avenues
 - Consolidating service on the Chestnut Hill East Line onto one track on the west side of the new high-level
 - Improving passenger amenities, including audio-visual public announcement system, signage, windscreens and benches
 - Painting the Wayne Avenue Bridge

 The SEPTA Wayne Junction Station, was selected to receive a 2015 Preservation Achievement Grand Jury Award from the Preservation Alliance for Greater Philadelphia.

- **City Hall Early Action Plan**
 Located in the heart of Center City Philadelphia on the west side of City Hall, the Dilworth Park has become a destination point for residents and visitors alike. With Center City District's (CCD) groundbreaking of what was known then as the Dilworth Plaza Project in January 2012, SEPTA initiated construction on the SEPTA portion of the Dilworth Plaza project in April, 2012. Known as the City Hall Early Action Project, SEPTA accelerated portions of the City Hall Station design and added elements that would complement and enhance the CCD project. Even though Dilworth Park and the SEPTA portion of the project opened on September 4, 2014, work continued through to the end of 2014.

 The SEPTA project included the construction and installation of three new elevators connecting the upper concourse level of Dilworth Park to the westbound and eastbound Market-Frankford Line (MFL) 15th Street Station platforms and the eastbound Trolley Lines 15th Street Station platform providing accessible access to and from 15th Street Station. The work also included the construction of two new fare lines in the Upper Concourse, one level below the park, through which SEPTA customers can access the Market Street Line, the Broad Street Line and the Trolley lines. The new fare lines showcase SEPTA's Key (New Payment) technology. New stairs connecting the station platforms to the new fare lines, new lighting, new fire alarm system, new AVPA system and a new CCTV system were also installed as part of the project.

 With CCD's completion of two new SEPTA-funded elevators connecting the north and south ends of Dilworth Park to the Upper Concourse, the accessible path between park level and the 15th Street station platforms has been established.

- **"Rebuilding for the Future" – Awarded $288.8M in contracts**
 SEPTA's Rebuilding for the Future Capital Program progress to-date includes the award of sixty-eight (68) construction contracts with a contract value of $288.8M.

 Construction activity is advancing under the following capital program categories:
 - **Substations**
 - Construction of a new Jenkintown Substation and Substation Overhauls at Ambler, Lenni, Morton, Doylestown and Clifton.
 - **Bridges**
 - Replacement of Crum Creek Viaduct and the rehabilitation of nine (9) Stone Arch Bridges, Bridge 0.35 and the three (3) Media Viaducts crossing Cobbs Creek, Darby Creek and Ridley Creek.
 - **Stations & Parking**
 - Construction of a new Lansdale Parking Garage and station improvements at Exton, Levittown, Margaret-Orthodox, 69th St. West Terminal and Vertical Transportation improvements at 8th St. and 15th St. Stations.
 - **Roofs**
 - Replacements at Fern Rock Shop, Roberts Ave. Carhouse, Woodland Shop, Callowhill Garage and 2nd & Wyoming/Berridge Shop.
 - **Maintenance & Transportation Facilities**
 - Fire Suppression improvements at Allegheny Garage and Woodland Shop.
 - **Track and Communications & Signals**
 - Route 102 Woodlawn Ave. Track Replacement, Trolley Tunnel and Media-Sharon Hill Grade Crossing Improvements.

- **Facilities Improvement Team (FIT) Program**
 FY 2015 was the most productive year for the Facilities Improvement Team (FIT) Program. On the City Transit Division, SEPTA completed improvements to Comly Depot, and completed badly needed renovations at the Bridge Street Carhouse. FIT then moved on to Allegheny Depot and concluded the fiscal year at 69th Street Motor Shop. On the Regional Rail Division, work was completed at Powelton and Roberts Crew Quarters. Each site received considerable improvements to the employee areas: bathrooms/locker rooms, lunch rooms, employee lounges, and offices were all renovated and improved. SEPTA's carbon footprint was reduced by the installation of energy saving LED lighting and motion sensor fixtures. The new treatments to floors and walls have reduced cleaning and maintenance issues, and the overall look and feel of these properties have improved employee morale.



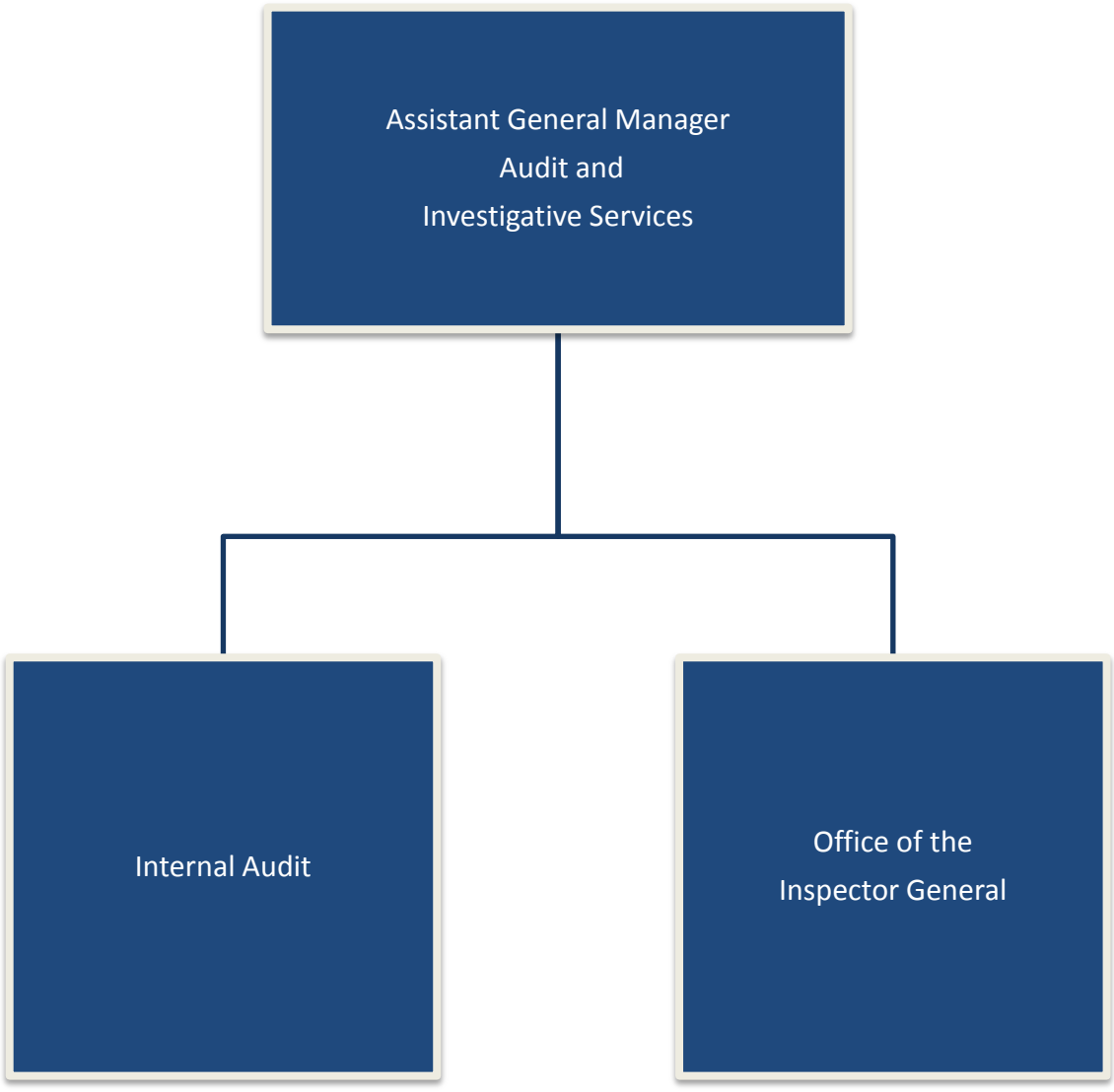
Audit and Investigative Services Division

(d) Audit and Investigative Services

Overview

The Audit, Safety and Investigative Services Division conducts audits, reviews and investigations of the Authority's operations to promote economy, efficiency and effectiveness and to detect and deter waste, fraud, abuse and mismanagement. The Division is responsible for the development and implementation of cost effective safety initiatives to promote employee health and welfare, the safety of the Authority's patrons, and the integrity of equipment and facilities and ensures SEPTA's compliance with environmental laws and regulations.

The Division includes the Internal Audit Department, Office of Inspector General and System Safety.



(d) Audit and Investigative Services

Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Internal Audit	12	-	-	-	-	12
Office of the Inspector General	8	-	-	-	-	8
Total Operating Heads	**20**	**-**	**-**	**-**	**-**	**20**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Internal Audit	-	-	-	-	-	-
Office of the Inspector General	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

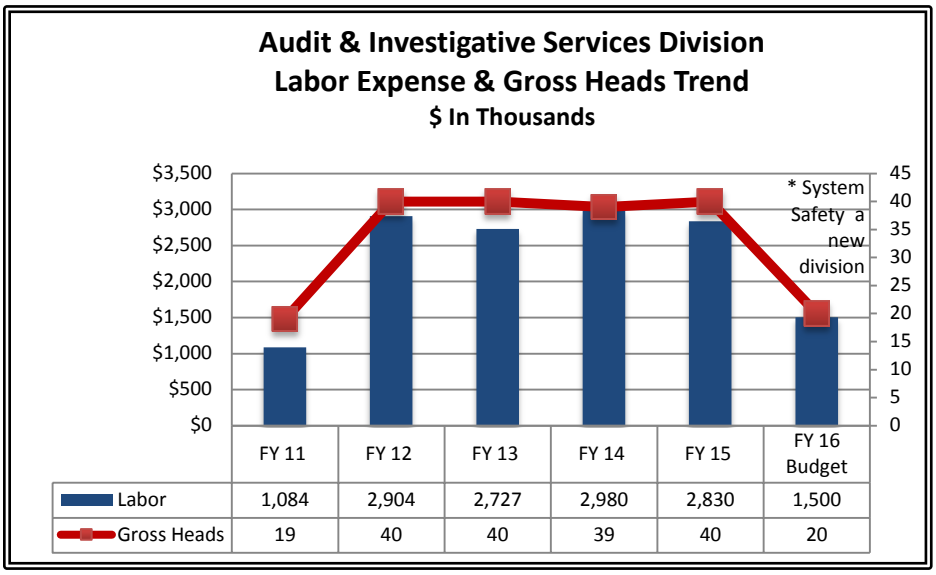
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Internal Audit	12	-	-	-	-	12
Office of the Inspector General	8	-	-	-	-	8
Total Heads	**20**	**-**	**-**	**-**	**-**	**20**

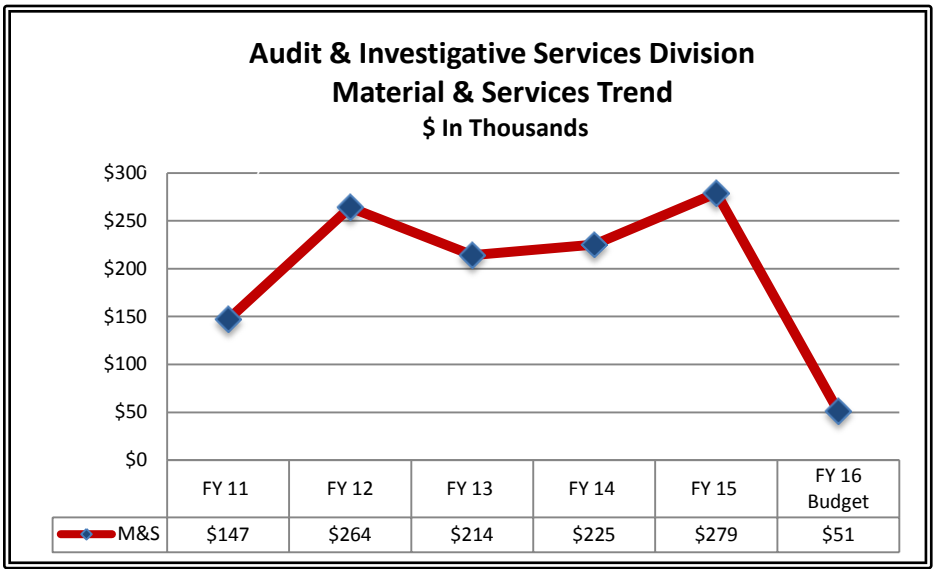
(d) Audit and Investigative Services

Fiscal Year 2016 Budget

Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Internal Audit	$ 827	$ 18	$ 845
Office of the Inspector General	673	33	706
TOTAL	**$ 1,500**	**$ 51**	**$ 1,551**





Note: System Safety was transferred from Audit, Safety and Investigative Services and now reports directly to the general manager.

Principal Responsibilities

INTERNAL AUDIT
Internal Audit is an independent, objective internal review and consulting activity designed to add value and improve the organization's operations. It provides a systematic, disciplined approach to evaluate financial risk/exposure and improve the effectiveness of risk management, internal control and governance processes.

Internal Audit conducts financial, compliance and operational audits of departments within the Authority. The department is also responsible for the review of cost proposals and audits of cost reimbursement contracts and change order/claims. Additionally, Internal Audit provides a wide range of internal consulting support to departments upon request. The Department is comprised of Internal Audit, Information Technology and Contract Audit sections.

Internal Audit
Internal Audit is responsible for reviewing all areas within the Authority by performing formal audits of an entire process or independent reviews of a particular activity or account balance.

Information Technology
A specialized sub-unit of Internal Audit that is responsible for reviewing new and existing computer applications, access security and hardware. Independent data extracts and reporting support are also generated for Internal Audit and other divisions.

Contract Audit
Contract Audit is responsible for auditing or reviewing third-party cost data in accordance with Authority's policies and federal requirements. The work includes reviews of pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

OFFICE OF THE INSPECTOR GENERAL
The Office of the Inspector General is responsible for conducting independent investigations relating to fraud, waste, abuse and mismanagement. This is accomplished through continuous monitoring and investigations directed at specific concerns.

(d) Audit and Investigative Services

Fiscal Year 2016 Goals & Business Initiatives

	Current Goals
	I. Perform audits/investigations of those areas identified in the risk assessment plan a. Includes one audit related to a Customer Service Process
	II. Performs audits/investigations of other areas based on events that occur during the year
	III. Provide timely response to request for support services
	IV. Provide audits of third-party cost reimbursement contracts
	V. Review pre-contract cost proposals, change orders and claims upon request
	VI. Improve organizational sustainability, focused on waste minimization and recycling

Fiscal Year 2015 Major Accomplishments

Advanced the Authority governance issues in the areas of:

- Authority Policy
- Regulatory compliance
- Financial responsibility
- Employee accountability



SEPTA

Business Services Division

(e) Business Services

Overview

The Business Services Division supports SEPTA's technology, procurement, and disadvantaged business enterprise related programs and initiatives.

Information Technology

Responsible for the leadership, project management, implementation, and support of technology initiatives for SEPTA and external customers. Administer, manage and support the enterprise data center, including mainframe/mid-range systems, operational systems, and the enterprise network server architecture (wired and wireless) for all SEPTA locations. Manage and maintain the disaster recovery and contingency tasks for SEPTA digital assets.

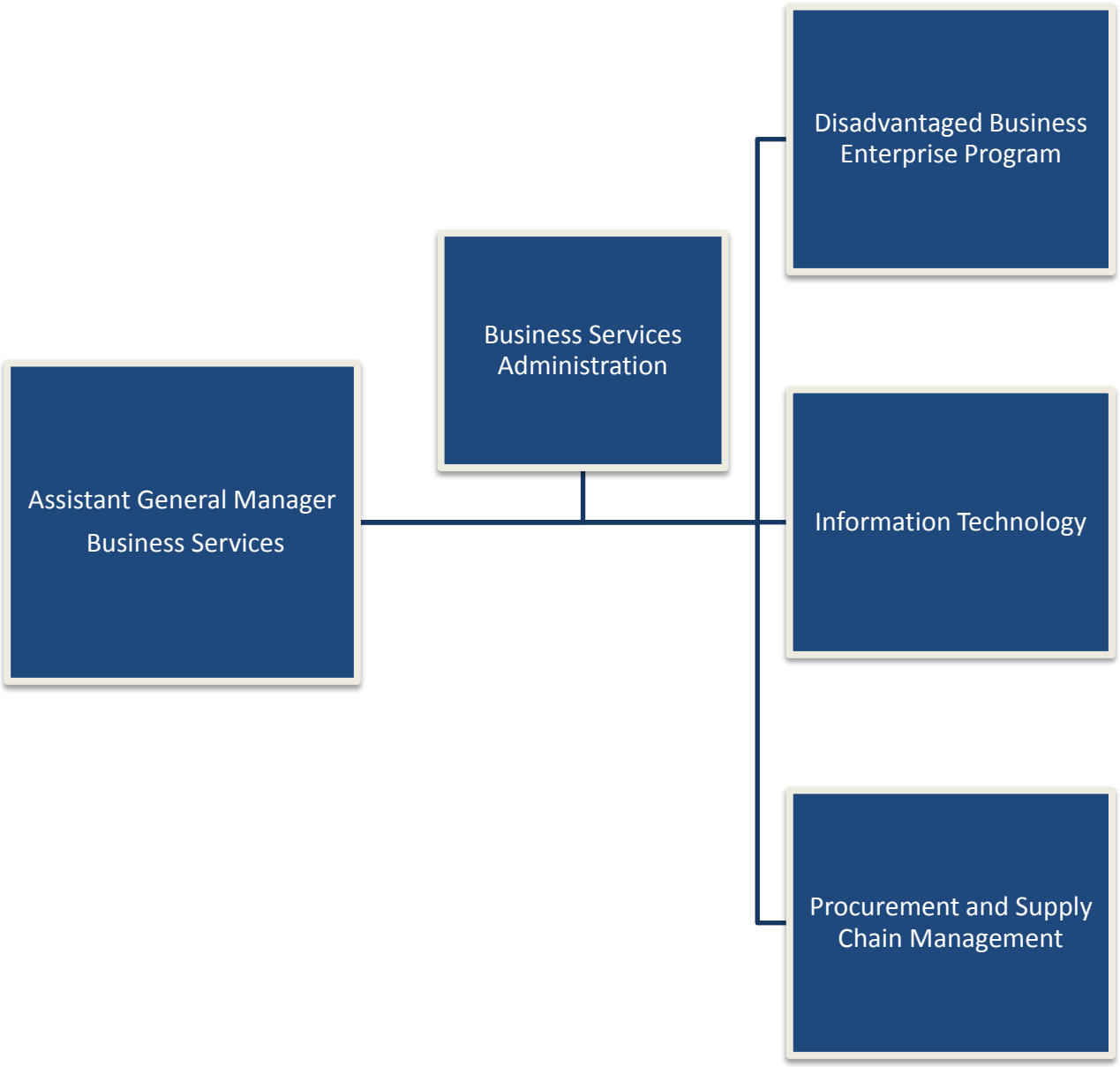
Procurement and Supply Chain Management

Responsible for procurement and contract administration of construction, professional, special, technical services and rolling stock acquisitions. Perform the purchase, lease, sale, and disposal of parts, vehicles, equipment, supplies, repairs, and services utilized to support the Authority's fleet maintenance operations and infrastructure material planning and control. Oversees automated Materials Management/Purchasing System, electronic material requisitions, electronic procurement system, procurement cards and stockless stationery. Provide coordination and enforcement of SEPTA's compliance with Federal, State and Local funding agency regulations for capital projects, planning studies and other non-operating projects. Participate in the updating of standard form contracts, the procurement manual and related policy instructions. Responsible for storeroom operations, warehousing and distribution, inventory replenishment forecasting and control.

Disadvantaged Business Enterprise Program

Administer the U.S. Department of Transportation's Disadvantaged Business Enterprise Program regulations for both Federal and State funded procurements, to ensure a level playing field and equal opportunity for small, minority and women-owned businesses to participate in contract and procurement activities. Provide outreach, technical assistance, training and dissemination of resource information to those firms interested in doing business with SEPTA.

(e) Business Services



Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	5	-	-	-	-	5
Disadvantaged Business Enterprise Program	6	-	-	-	-	6
Information Technology	64	5	-	-	-	69
Procurement & Supply Chain Management	76	59	3	-	-	138
Total Operating Heads	**151**	**64**	**3**	**-**	**-**	**218**

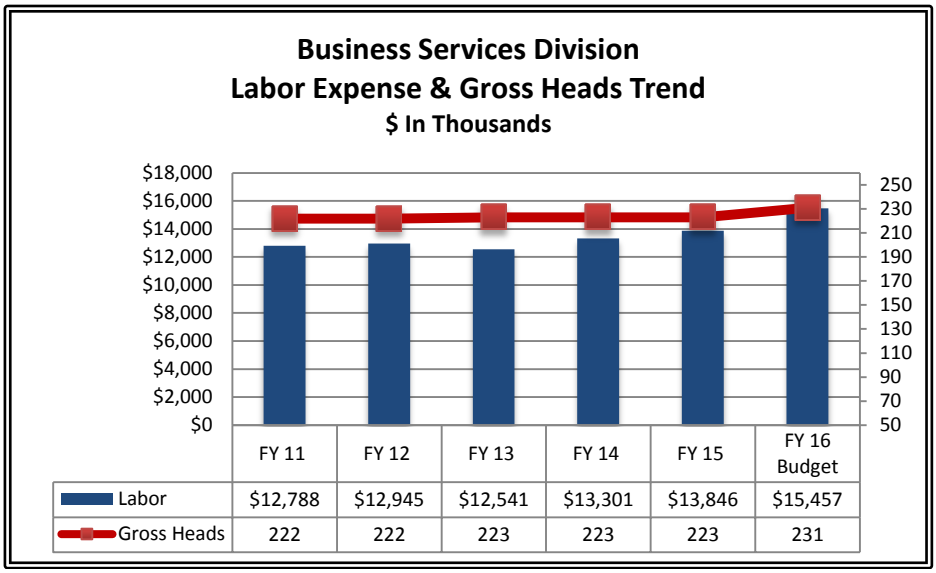
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
Disadvantaged Business Enterprise Program	2	-	-	-	-	2
Information Technology	-	-	-	-	-	-
Procurement & Supply Chain Management	9	2	-	-	-	11
Total Capital Heads	**11**	**2**	**-**	**-**	**-**	**13**

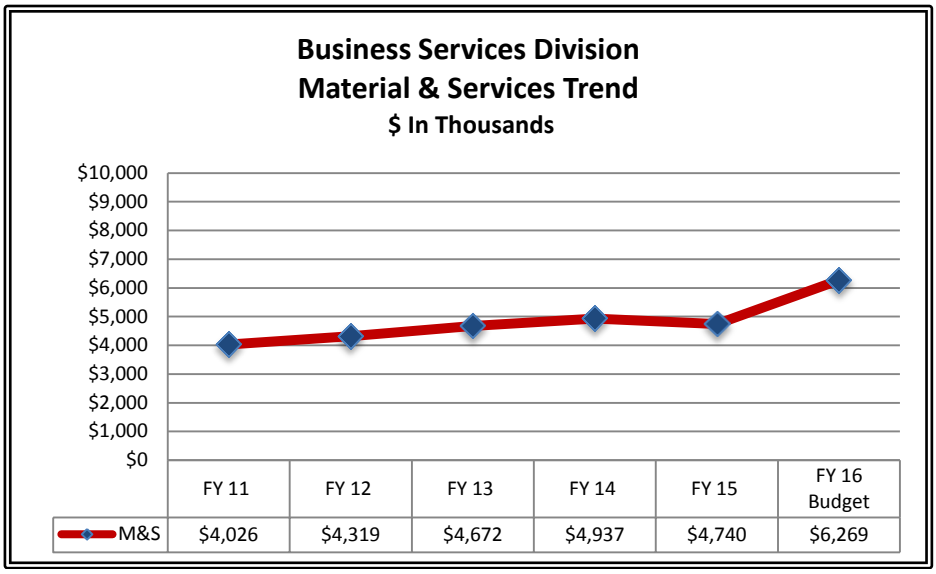
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	5	-	-	-	-	5
Disadvantaged Business Enterprise Program	8	-	-	-	-	8
Information Technology	64	5	-	-	-	69
Procurement & Supply Chain Management	85	61	3	-	-	149
Total Heads	**162**	**66**	**3**	**-**	**-**	**231**

Fiscal Year 2016 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 610	$ 15	$ 625
Disadvantaged Business Enterprise Program	431	32	463
Information Technology	5,598	5,955	11,553
Procurement and Supply Chain Management	8,818	267	9,085
TOTAL	**$ 15,457**	**$ 6,269**	**$ 21,726**





Principal Responsibilities

INFORMATION TECHNOLOGY

Emerging & Specialty Technologies
Provide the short and long term strategy, direction, management, and implementation of the core enterprise architecture and critical operations systems for the Authority. Manage new technologies and the support of Control Center specialty technology systems, real-time systems and public-facing applications. Responsible for the strategic design and development of advanced web applications to service the riding public.

Project Services
Support the development, integration and implementation of new software systems of business units throughout the Authority and maintain and enhance existing systems Authority-wide. This section responds to application software problems.

Infrastructure Services
Provide computer operations stability and access security on a 7-day/24-hour basis including problem management, disaster recovery, technical infrastructure management/ support and change control. Maintain the technology infrastructure necessary for business critical systems, including: enterprise e-mail services, internet/intranet access, payroll, materials management, general accounting, operations control centers, disaster recovery and business continuity. Support SEPTA's enterprise data communication systems and the entire microcomputer environment. Set standards for hardware and software used across the networks and install, support, and maintain the data network infrastructure throughout the entire Authority service area.

Records Management
Responsible for developing and implementing records management systems throughout the Authority, including record retention schedules, storage, retrieval, digital archiving, and destruction protocols.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Compliance and Quality Assurance
Provide coordination and enforcement of SEPTA's compliance with Federal, State and Local funding agency regulations for approved capital projects, planning studies and other non-operating projects. Participate in updating standard form contracts, the procurement manual and related policy instructions. Provide analytical reports, system administration, enhancements, and contract processing support for the department. Administer Authority-wide programs such as e-procurement, electronic stockless stationary, P-Card and the Material Management/Purchasing system.

Contract Administration
Responsible for proactive contract administration of construction, technical, professional services and vehicle/special service contracts including assembling of bid packages, solicitations, awards, and post-award administration (change orders, disputes and closeout). Responsible for overseeing contractors and owners to ensure both parties meet their contractual obligations.

Purchasing and Resource Control
Perform analysis, forecasting, identification of inventory needs to determine adequate stocking levels to effectively purchase/lease non-stock infrastructure, rail and vehicle parts, material, equipment, supplies, and services utilized by the Authority, except for major vehicle procurements. Provide cost savings through value analysis and negotiations, and expedite orders with suppliers. Provide direct field support to maintenance directors and shop personnel. Perform requirements planning for vehicle overhaul programs and various maintenance projects.

Supply Chain Management
Perform analysis, forecasting, identification of inventory needs to determine adequate stocking levels to effectively purchase/lease MRO stock infrastructure items. Responsible for storeroom operations, warehousing, distribution, and inventory replenishment. Lead integrated planning meetings with operational areas to ensure short and long term material requirements are understood. Direct receiving, documenting, storing, issuing, tracking and inventorying of all stock material for the Authority's diversified fleet and infrastructure maintenance. Coordinate and control the Authority-wide inventory reduction program. Responsible for maintenance, enhancement and control of the asset recovery process for the Authority.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OFFICE (DBEPO)

Disadvantaged Business Enterprise (DBE) Certification
Participate as one of five principal DBE certifying agencies within the Commonwealth of Pennsylvania to provide one-stop shopping for firms seeking certification as a Disadvantaged Business Enterprise (DBE) in accordance with 49 CFR Part 26, and represent the Authority as a managing member of the Commonwealth of Pennsylvania's Unified Certification Program (PA UCP).

Small Business Enterprise (SBE) Program
Administer the Small Business Enterprise Program to meaningfully involve small business concerns in the Authority's procurement and contracting activities towards increasing the race-neutral portion of the Authority's overall DBE goal.

DBE Compliance
Review solicitations to ensure the meaningful involvement of DBE firms in the Authority's procurement and contracting activities; establish goals for applicable projects, evaluate bid/proposal submissions for adherence to DBE requirements, monitor projects for DBE goal achievement and ensure equitable treatment of DBEs performing on contracts.

DBE Program Outreach
Provide technical assistance, guidance and resources to all small businesses interested in pursuing contracting opportunities; coordinate internal and external outreach events; facilitate workshops and networking events for majority prime contractors, DBEs and SBEs.

(e) Business Services

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Implement Initiatives to promote maximum safety and security for our infrastructure, systems and personnel	a) Identify critical applications and systems and quantify Recovery Time Point Objectives and Recovery Point Objectives b) Harden Network and Computer Infrastructure against cyber-attacks or unauthorized intrusions on all systems connected to the SEPTA and OTN network c) Implement Single Sign-On to enhance security and improve the user experience
II. Ensure best-in-class service delivery to exceed customer expectations	a) Complete the Mainframe Integration Suite b) Improve functionality of the Interactive Voice Response (IVR) System c) Implement redundant strategies for critical systems for operations and customer facing systems d) Replace "Plan My Trip" option with "Trip Planner" on SEPTA's website e) Create direct access link to the Procurement section of the "Doing Business with SEPTA" portion of the Internet to capture customer questions, concerns, and comments
III. Improve facilities, structures, and work environment	a) Minimize Change Orders/Claims on third-party work
IV. Develop a highly motivated and skilled workforce	a) Coordinate college recruiting initiatives specific to technology expertise
V. Gain "Green" status by installing energy efficient technologies/solutions	a) Consolidate hardware within Data Center using server virtualization to decrease power consumption and provide enhanced back up capabilities for critical systems b) Achieve inventory reduction
VI. Support programs promoting ridership development	a) Ensure accuracy with SEPTA Mobile Apps, schedule information coming from Service Planning for Google Maps, mobile apps, and website

Current Goals	Initiatives
VII. Establish new and innovative systems to automate processing, retrieval and storage of data	a) Complete the roll out of mobile application for SEPTA Police and roll out of incident recording and reporting using mobile devices b) Replace DBE Certification and Monitoring System to expedite the certification process
VIII. Promote healthy partnerships with business and agencies in the region	a) Award all third-party contracts in accordance with turn-around goals to support ~~–~~Business Partnerships" b) Support DBE Program Outreach events

Fiscal Year 2015 Major Accomplishments

- Implemented use of Remote Access for personnel to conveniently access SEPTA network to perform tasks from any type of computer, laptop or tablet when needed while they are away from their regular work location. This will maximize productivity and minimize potential delays when employees have to be away from work for any reason.
- Implemented API Server/Database High Availability. This will facilitate customer access to real-time information from SEPTA mobile app and/or website.
- Improved the data system for SEPTA Police Dispatch Center to ~~–~~push" photos and/or videos to Officer cell phones to enhance law enforcement during emergencies and security alerts.
- Hosted a ~~–~~Rebuilding for the Future" DBE Informational/Networking Event to disseminate information concerning upcoming projects and opportunities for businesses. A number of small and disadvantaged businesses, contractors, agencies and organizations benefited from this outreach/networking event. Several other outreach events were organized by the DBE Program personnel to benefit the business community in the region.
- During FY 2015, the Procurement & Supply Chain Management Department processed and issued sixty-eight (68) contracts totaling $288,869,683. Locomotive related contracts during this period totaled $154,394,083.



SEPTA

Customer Service and Advocacy Division

(f) Customer Service and Advocacy

Overview

The Customer Service and Advocacy Division is responsible for the development, implementation, and coordination of SEPTA customer service and customer advocacy initiatives. The Division acts as the clearing house for all customer information shared across various channels, for gathering customer intelligence, for advancing the Authority's "Customer-Focused" agenda and performing consumer research to help the organization ascertain customer priorities, satisfaction levels and overall loyalty.

Administration

Coordinates, manages and directs the financial and administrative activities for the Customer Service and Advocacy Division.

Advocacy

The Advocacy unit is responsible for coordinating Authority-wide customer service initiatives and representing the customer-point-of-view with internal staff. It also serves as staff liaison for the SEPTA Citizens Advisory Committee (CAC), the Youth Advisory Council (YAC), assisting as needed with the Advisory committee for Accessible Transportation and key external stakeholders such as the Clean Air Council, Transportation Management Associations and groups like DVARP and NARP. Advocacy also advances the Authority's English as a Second Language (ESL) initiative.

Consumer & Market Research

This section directs Authority-wide qualitative and quantitative market research for the division as well as other internal customers. This includes customer surveys, website surveys and focus groups. The unit stays current with trends in customer service and technology in both the transportation industry and the service industry at large.

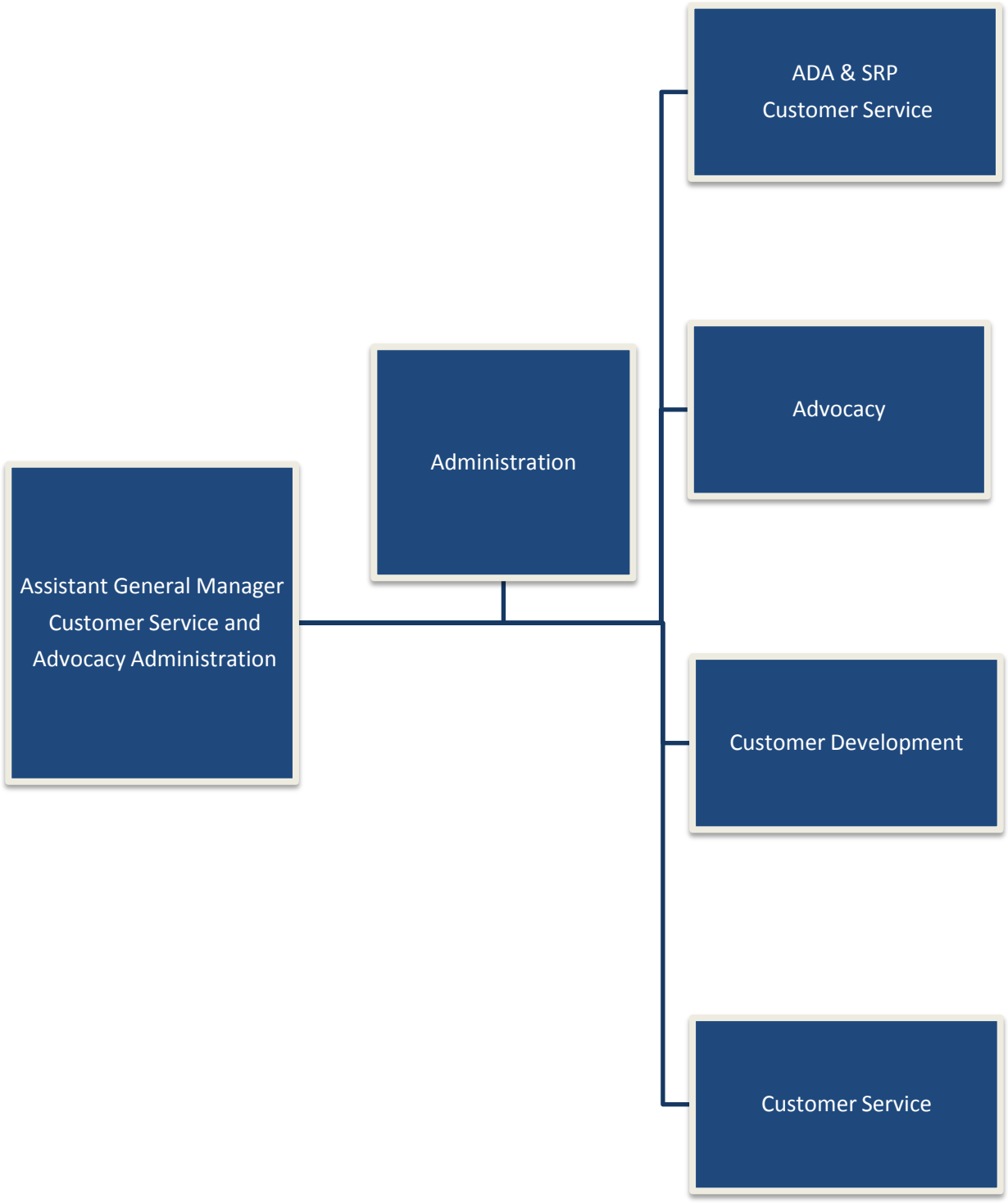
Customer Development

This group champions the SEPTA "Customer Experience" through interdivisional initiatives, customer outreach and engagement, assessments for transit eligibility programs, and the use of service quality agents that ride the system to assess performance and attention to all standards related to courtesy, communications, cleanliness and safety. Department staff is also responsible for leading key culture change initiatives that are centered on innovative applications of internal and external service.

Customer Service

The Customer Service Department manages customer issues and inquiries, for all fixed route services as well as SEPTA's Shared Ride and ADA customers. This includes travel information, lost and found, complaints, commendations, and suggestions conveyed over the phone, through U.S. mail, via email, by internet chat and through several social media channels. The department maintains satellite offices at 1234 Market Street and at several transportation hubs in the region. Customer Service agents are also deployed to staff special events. The Social Customer Service Team is based in the Customer Service Department.

(f) Customer Service and Advocacy



(f) Customer Service and Advocacy

Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	4	-	-	-	-	4
ADA & SRP Customer Service	4	-	-	-	-	4
Customer Development	5	-	-	-	-	5
Customer Service	10	59	-	-	-	69
Total Operating Heads	**23**	**59**	**-**	**-**	**-**	**82**

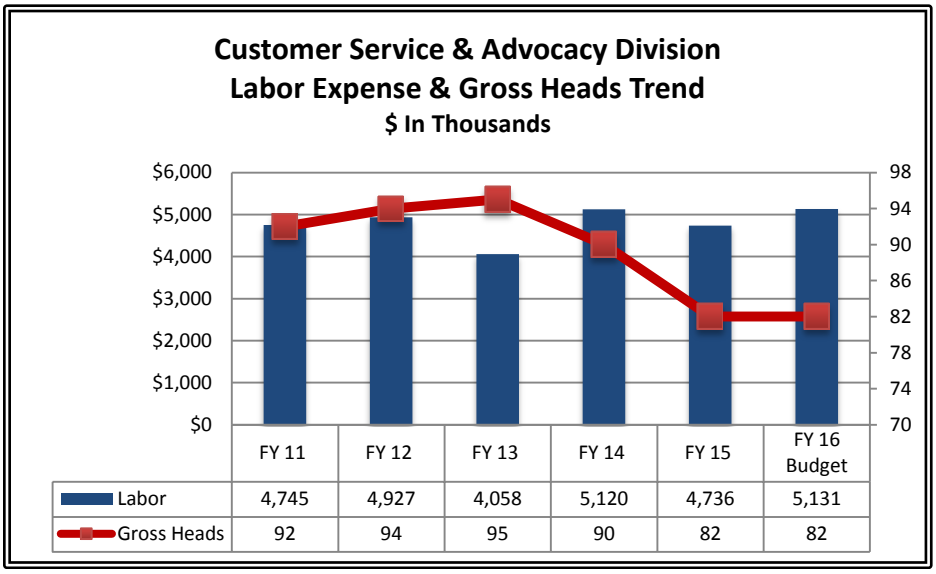
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
ADA & SRP Customer Service	-	-	-	-	-	-
Customer Development	-	-	-	-	-	-
Customer Service	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

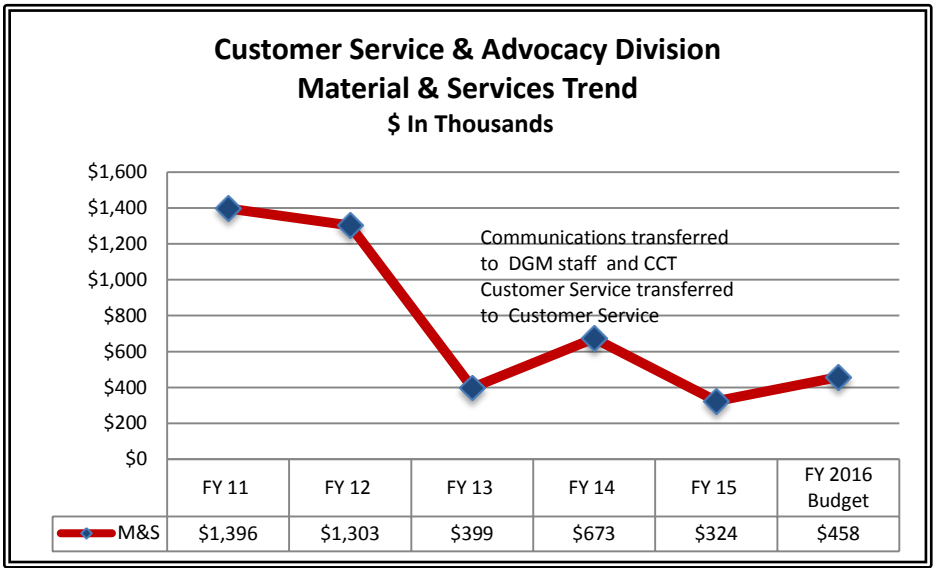
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	4	-	-	-	-	4
ADA & SRP Customer Service	4	-	-	-	-	4
Customer Development	5	-	-	-	-	5
Customer Service	10	59	-	-	-	69
Total Heads	**23**	**59**	**-**	**-**	**-**	**82**

Fiscal Year 2016 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 335	$ 440	$ 775
Customer Development	372	-	372
Customer Service	4,098	17	4,115
ADA & SRP Customer Service	326	1	327
TOTAL	**$ 5,131**	**$ 458**	**$ 5,589**





(f) Customer Service and Advocacy

Principal Responsibilities

ADMINISTRATION
Coordinate, manage and direct the financial and administrative activities for the Customer Service and Advocacy Division.

ADVOCACY
Responsible for presenting the customer's point of view as it relates to internal programs and initiatives. Also responsible for working with external advocacy groups to support and promote SEPTA and public transit. Manage the Authority's Visitor and Hospitality Outreach Programs and Retiree Customer Service Corp.

CUSTOMER DEVELOPMENT
This group champions the SEPTA Customer Experience through interdivisional initiatives, customer outreach /engagement, the use of service quality agents to ride the system to assess performance and core standards related to courtesy, cleanliness, communications, convenience and safety. Department staff is responsible for the Building a SEPTA Customer Service Culture (BASCSC) program, the Authority Customer Service Program plan and elements such as the Station Musician program. Customer Development is responsible for coordinating the Division's role with the SEPTA Key project.

CUSTOMER SERVICE
Responsible for responding to customer issues and inquiries received via telephone, email, U.S. mail, fax and walk-ins concerning travel information, lost and found, complaints, suggestions and commendations. The department also manages the Senior Citizen Free Fare Program and the Reduced Fare Program for Persons with Disabilities.

(f) Customer Service and Advocacy

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Nourish and advance a wide array of Customer-Focused initiatives throughout the Authority	a) Provide updates on the status of the Customer Service Program to the General Manager, the GM Team and Board members b) Work with other divisions to ensure that customer service remains vital and relevant by closing out completed initiatives and introducing new ones. c) Closely coordinate customer service programs with other key initiatives, such as strategic planning and the capital program d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Service Division interaction
II. Develop Customer-Focused workforce	a) Provide leadership to internal culture change initiatives, such as ~~"B~~ASCSC", that emphasizes customer-focused decision making and innovation b) Advocate and support creation of customer-focused organizational and personal goals c) Recognize SEPTA team members that have made a significant contribution to customer satisfaction and/or loyalty
III. Employ technological advancements to improve Customer Service	a) Continue efforts to expand SEPTA's reputation as the industry leader in the provision of social customer service b) Provide enhanced ~~"R~~eal Time" tools to customer service staff to provide for accurate and timely dissemination of information c) Move from ~~"C~~ustomer Service" to ~~"C~~ustomer Intelligence & Analytics by adopting new business models that meet customer expectations for immediate information, and also provide decision makers with valuable information

(f) Customer Service and Advocacy

Fiscal Year 2015 Major Accomplishments

- The Authority's commitment to Customer Service and "culture change" continued to be evident, with the ongoing development of the *"Building a SEPTA Customer Service Culture*" (BASCSC). The program saw the addition of two new Action Teams in FY 2015 and will add two additional teams in early FY 2016. Over 75 SEPTA employees are engaged on BASCSC Action Teams.

- The expansion and full roll-out of SEPTA's Customer Relations Management (CRM) program, Veritas, was completed in early FY 2015. We have since begun to develop internal service tools to use the database to provide a new real time service. This service acts like a radar to detect and neutralize social media issues before they become viral. Data is also filtered to produce new daily alerts whereby routes or rail lines trending in a negative direction are flagged for immediate attention, allowing Operations staff to make corrections in a timely matter.

- Social Media growth continues at a very fast rate, with nearly 65,000 customers registered for SEPTA's Operations service alerts, 27,000 following @SEPTAPhilly, 13,000 on Facebook and almost 10,000 on our Customer Service Twitter Site @septa_social. Combined with other social channels and new start-ups by other departments, SEPTA has perhaps the most extensive social media program in the transit industry and one where customer engagement is the primary objective.

- Philadelphia is increasingly an international City with a growing reputation as a tourism destination. We are also a home to more and more people that use English as a second language (ESL). When a language barrier exists, it prevents potential customers from using public transit. This past year we began an innovative ESL initiative whereby volunteer SEPTA staff proficient in a non-English language, are "on call" to engage individuals in their native language through a unique "matching process" that may well be the first in our industry. This pool of talent is available for special events, including the Papal visit, and outreach with stakeholder groups. Customer Service and Advocacy has also hosted a voluntary "Spanish Class" for staff interested in learning or refreshing how to speak Spanish.

- In partnership with a number of the area's hospitals, Customer Service and Advocacy coordinated an interdivisional pilot program to allow certified "Therapy Dogs" to travel on two bus routes with their handlers, to visit hospital patients, often elderly or children with terminal illnesses. The pilot will be evaluated in FY2016.



SEPTA

Finance and Planning Division

(g) Finance and Planning

Overview

The Finance and Planning Division develops and then monitors results for the Authority's Annual Service Plan, Operating and Capital budgets, Strategic Business Plan and federal, state and local grants. Oversee all Financial Services and Long Term Planning activities, including the preparation of monthly and annual financial statements for outside stakeholders and management of advertising contracts.

Capital Budgeting and Programming
Develop SEPTA's annual Capital Budget and the twelve-year Capital Program. Develop and maintain corresponding programming of transit capital projects for the regional Transportation Improvement Program.

Grants and Funding Requests
Prepare, maintain, execute and monitor federal, state and local funding requests from inception to grant close out.

Program Specific Management and Oversight
Responsible for oversight of the safety and security grant programs. Provide oversight and prepare analyses of the Vehicle Overhaul and Infrastructure Safety Renewal Programs.

Finance Administration
Coordinate, manage and direct the day-to-day activities of the Finance and Planning Division.

Financial Services
Manage the Authority's finances including billings and cash management, accounts payable, accounts receivable and fixed assets, revenue accounting and operating grants.

Financing and Pension Management
Ensure access to capital markets, manage debt portfolio, implement new financing agreements and coordinate management of pension assets.

General Accounting
Manage the Authority's financial reporting and accounting activities.

Operating Budget
Manage the Authority's operating budget process and monitor financial performance throughout the year through forecasting and financial analysis. Prepare Operating Budget Proposal and Final Operating Budget Book on an annual basis.

- ***Recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the past ten fiscal years' budgets.***

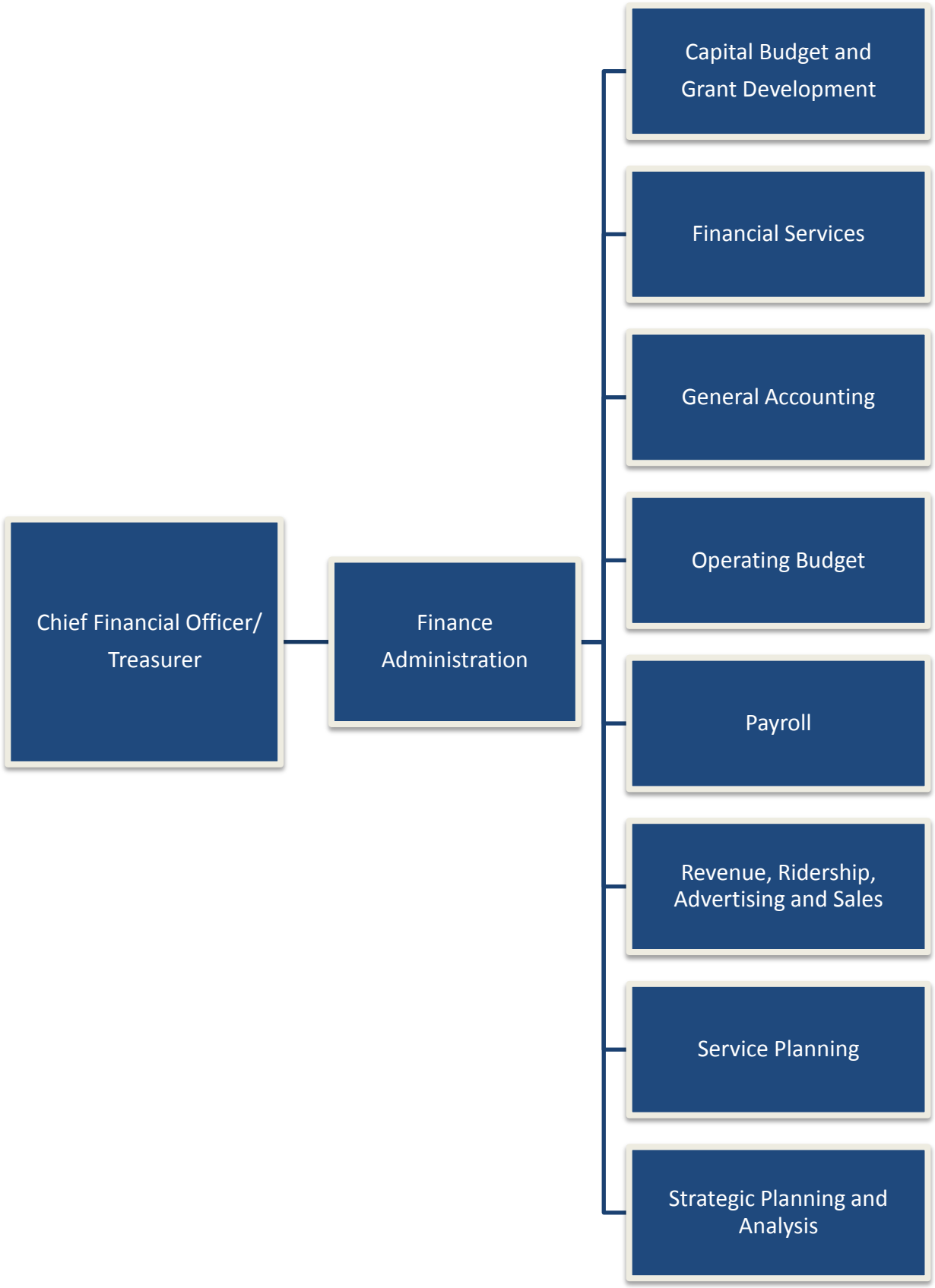
Payroll
Process Authority payroll in a timely and accurate manner. Ensure that payroll-related contractual entitlements are properly reflected in accounting records and paid to individual employees.

Revenue, Ridership, Advertising and Sales
Develop revenue and ridership budgets. Administer all aspects of discounted fare media from the warehouse to the end user, including acquisition, receipt, distribution and reconciliation. Manage the on-line aspect of the sales network to include fare media and merchandise availability throughout the continental United States. Create and manage long and short term agreements to maximize advertising revenues.

Service Planning
Plan and schedule service for City, Suburban and Railroad operations. Prepare the Annual Service Plan and Service Standards which includes all major budget-related route and service proposals and the annual economic review of all SEPTA routes.

Strategic Planning and Analysis
Direct, develop and implement SEPTA's Strategic Business and Long Range Planning activities. Manage the Authority's Sustainability Agenda supporting an environmental, social and economic focus. Lead all long range rail restoration planning efforts, station transportation oriented development efforts and coordinate with the Metropolitan Planning Organization and city and county planning agencies within the region. Conduct selected analysis of business and best practices, re-engineer and re-design functional activities in context of improving service delivery and enhancing customer experiences.

(g) Finance and Planning



(g) Finance and Planning

Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Budget and Grant Development	6	-	-	-	-	6
Finance Administration	9	-				9
Financial Services	23	8				31
General Accounting	9	2				11
Operating Budget	10	-				10
Payroll	3	2	-	-	-	5
Revenue, Ridership, Advertising and Sales	25	29	-	-	-	54
Service Planning	34	15	-	-	-	49
Strategic Planning and Analysis	4	-	-	-	-	4
Total Operating Heads	**123**	**56**	**-**	**-**	**-**	**179**

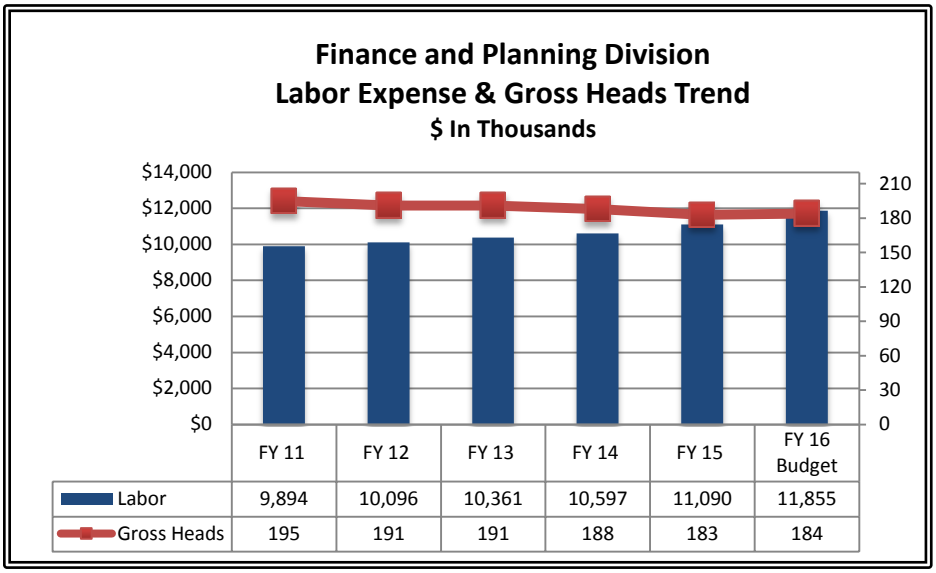
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Budget and Grant Development	2	-	-	-	-	2
Finance Administration	-	-	-	-	-	-
Financial Services	-	-	-	-	-	-
General Accounting	-	-	-	-	-	-
Operating Budget	-	-	-	-	-	-
Payroll	-	-	-	-	-	-
Revenue, Ridership, Advertising and Sales	2	-	-	-	-	2
Service Planning	-	-	-	-	-	-
Strategic Planning and Analysis	1	-	-	-	-	1
Total Capital Heads	**5**	**-**	**-**	**-**	**-**	**5**

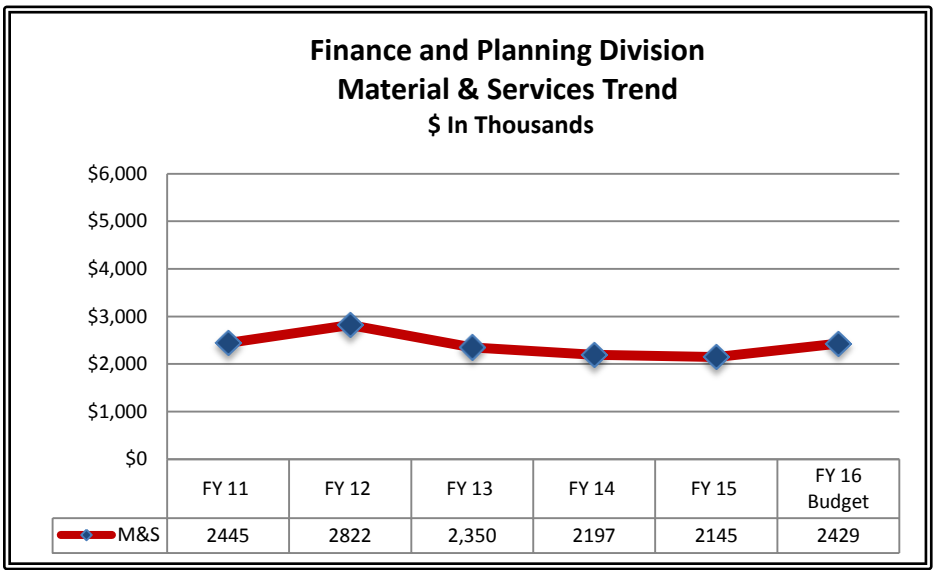
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Budget and Grant Development	8	-	-	-	-	8
Finance Administration	9	-	-	-	-	9
Financial Services	23	8	-	-	-	31
General Accounting	9	2	-	-	-	11
Operating Budget	10	-	-	-	-	10
Payroll	3	2	-	-	-	5
Revenue, Ridership, Advertising and Sales	27	29	-	-	-	56
Service Planning	34	15	-	-	-	49
Strategic Planning and Analysis	5	-	-	-	-	5
Total Heads	**128**	**56**	**-**	**-**	**-**	**184**

(g) Finance and Planning

Fiscal Year 2016 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Capital Budget and Grant Development	$ 410	$ 3	$ 413
Finance Administration	1,138	240	1,378
Financial Services	1,985	521	2,506
General Accounting	712	290	1,002
Operating Budget	760	167	927
Payroll	308	2	310
Revenue, Ridership, Advertising and Sales	3,286	1,139	4,425
Service Planning	2,925	62	2,987
Strategic Planning and Analysis	331	5	336
TOTAL	**$ 11,855**	**$ 2,429**	**$ 14,284**





Principal Responsibilities

CAPITAL BUDGET and GRANT DEVELOPMENT
Develop annual Capital Budget and the twelve-year Capital Program. Prepare, maintain, execute and monitor federal, state and local grants from inception to grant close out. Develop transit capital projects for the regional Transportation Improvement Program. Provide oversight and prepare analyses of the Vehicle Overhaul Program, Infrastructure Safety Renewal Program, New Freedom Programs, and Transit Security Grant Programs; Also responsible for other special grant programs.

FINANCE ADMINISTRATION
Coordinate, manage, and direct the activities of the Finance and Planning Division. Oversee the development and implementation of the operating and capital budgets, strategic business plans and sustainability plan. Manage financial reporting and develop revenue strategies and fare policies. Coordinate all long range planning and service planning initiatives. Ensure that the Authority's resources are used effectively to maximize capital investments and to maintain access to the capital markets on reasonable terms and conditions.

FINANCIAL SERVICES

Accounts Payable, Billings and Cash Management
Process vendor payments; ensure items processed are correctly recorded; generate billings, capture and report capital project costs. Manage the Authority's cash resources to maximize investment income with an acceptable level of risk.

Financing and Pensions
Manage the Authority's debt portfolio to ensure compliance with covenants of indentures and loan agreements and timely payment of debt service. Analyze potential financing transactions and manage the negotiation and implementation of transactions utilizing public municipal debt markets or private placements and loan agreements. Negotiate pension investment management contracts, manage relationships with pension managers, and act as liaison among pension committee, consultants and pension managers. Provide oversight of investment options and manager/fund performance of 457B Plan assets.

Revenue Accounting, Operating Grants, Accounts Receivable and Fixed Assets
Maintain accounting controls over operating revenues, operating subsidy grants, operating receivables and fixed assets. Prepare applications and billings for operating and senior citizen subsidies and accounts for capitalization and disposition of grant and non-grant property and related depreciation and contributed capital.

GENERAL ACCOUNTING
Manage the Authority's financial reporting and accounting activities. Produce timely and accurate financial reports and properly maintain the accounting system and related internal control structure which includes managing the monthly and annual financial general ledger close process. Prepare and issue monthly financial and statistical reports to the SEPTA Board and senior management. Prepare required quarterly and audited financial reports that are issued to various financial institutions and government agencies that provide debt financing or subsidies to the Authority.

OPERATING BUDGET

Operating Budget

Develop a budget plan based upon an evaluation of each department's operating needs in relation to the Authority's overall resources. Review and modify the consolidated results of all proposals to ensure that projected expenditures are balanced with projected revenues and subsidies. Develop annual Operating Budget and multi-year financial forecast. Evaluate proposed financial commitments and personnel requests on an ongoing basis to ensure sufficient funding and adherence to budget. Oversee SEPTA's utility accounts, and review and approve utility bills. Conduct analysis to track and forecast financial performance.

Reports & Systems

Maintain the Management Planning and Control (MPC) software used to produce the annual operating budget at the expense object level and integrate with the mainframe environment. Support and train the departmental users of the budgeting system. Coordinate with Information Technology to produce, maintain and distribute monthly and annual internal financial reports.

Specialized Support Assignments

Provide financial analysis and forecasting for substantive financial issues impacting the Authority including labor negotiations, power and fuel contracts, income generating contracts, etc. Provide financial analysis for internal discussions and Board briefings.

PAYROLL

Process Authority payroll in a timely and accurate manner. Ensure that payroll-related contractual entitlements are properly reflected in accounting records and paid to individual employees.

REVENUE, RIDERSHIP, ADVERTISING AND SALES

Form a centralized leadership capacity to coordinate multifaceted operations including revenue generation via fare media, parking lots, and non-transportation related advertising income. Monitors and officially reports ridership levels and affiliated revenues. Coordinate Finance Division's participation in the advancement of the Authority's Key Card.

Revenue and Ridership Management

Develop and report monthly ridership and revenue levels. Manage all ridership and revenue data and issue reports as market conditions demand. Issue all required revenue and ridership reports to governmental and ancillary agencies. Manage third party contractors for SEPTA parking garages. Develop and support all Passenger Revenue pricing and tariffs.

Sales

Administers and conducts the sale of all prepaid fare instruments, within the SEPTA service area. Manage the daily operation of five full service sales centers, the Transit Store and the Shop.SEPTA web portal. Manages and coordinates sales to over 1,000 external sales venues such as corporate entities, school districts, and retailors. Validates and issues refunds and adjustments for lost rides and fare instruments.

Advertising

Responsible for administration of Transit and Railroad Advertising which includes station naming, bus and rail wraps, station and interior train digital screens, and static posters. Responsible for administration of outdoor advertising which includes an extensive static and digital billboard network. SEPTA's advertising contracts generate non-fare box revenue for the Authority.

SERVICE PLANNING

Plan and schedule service for City, Suburban and Railroad operations. Monitor and analyze route performance in accordance with applicable service standards to develop proposals for service improvements. Work with public and private partners to develop new services. Prepare the Annual Service Plan which includes the service proposals and annual economic review of all SEPTA routes. Serve as liaison with City and County Planning Agencies and Transportation Management Associations regarding service planning issues. Coordinate SEPTA's tariff and public hearing process for all route changes. Manage SEPTA central transit stop data base and Automatic Passenger Count (APC) data and reporting. Provide authority-wide Geographical Information Systems (GIS) support. Support Capital Budget planning on transit and railroad service issues.

STRATEGIC PLANNING AND ANALYSIS

Strategic Business Planning

Design, develop, manage and execute Strategic Business Planning activities of the Authority. Develop and monitor key performance indicators relating to the corporate strategy and oversee divisional tactical plan initiatives. Research and recommend best practices relating to organizational initiatives supporting the Authority's strategic objectives and serve as consultant for divisional implementation.

Sustainable Planning, Policy & Community Development

Develop and manage SEPTA's Sustainability Plan and coordinate sustainability efforts relating to the Strategic Business Plan Agenda. Implement environmental, social and economic initiatives that advance SEPTA's triple bottom line commitment to sustainability. Prepare financial analysis and provide support to develop sustainability projects with funding plans and prepare grant applications. SEPTA's Sustainability Plan and supporting materials can be found at www.septa.org/sustain.

Capital & Long Range Planning

Initiate studies and develop plans for expanding and improving the existing transit network to serve new markets and increase ridership. Manage key relationships and partnerships with the Metropolitan Planning Organization, city and county planning agencies, municipal organizations, Transportation Management Associations and other transit stakeholders throughout the service region to implement capital and long range planning projects. Coordinate with local governments, community organizations, and developers to encourage transit supportive development patterns and land uses. Conduct studies to assess the impacts of national, state and local demographic, economic, travel and development trends and forecasts for SEPTA's current and future markets, services and capital projects.

Operational Analysis

Conduct studies and analyze transformational investment plans to identify business opportunities to reduce costs, improve the customer experience and advance the sustainability of SEPTA as an organization. A primary emphasis is placed on leveraging vehicle and energy procurements to unlock efficiencies from fleet modernization.

(g) Finance and Planning

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve internal and external customer responsiveness	a) Participate in SEPTA's Customer Service programs b) Ensure employee attendance at Customer Service training sessions c) Improve access to information through new technologies d) Proactively evaluate schedule and route changes to improve service reliability e) Respond quickly and effectively to customer inquiries
II. Strategically allocate resources and streamline processes to ensure cost effective service	a) Decrease paper usage b) Continue to evaluate alternative funding opportunities
III. Expand and strengthen the Authority‟sstakeholder network	a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities to serve new markets
IV. Support the economic, financial, social and environmental sustainability of the Authority	a) Support and promote SEPTA's Sustainability Program (www.septa.org/sustain) b) Support Capital development and State of Good Repair projects now possible with the passage of Act 89 in November 2013 c) Support transit-oriented development and other neighborhood sustainability projects d) Together with SEPTA's Office of the General Counsel, work to optimize the impact of deregulation in the natural gas and market generation electricity industries
V. Strengthen accountability, transparency and visibility	a) Implement the FY 2015-2019 Five-Year Strategic Business Plan b) Publish a greater volume of ridership and revenue information on SEPTA intranet. c) Coordinate internally to ensure compliance with new reporting standards d) Proactively develop communications strategies and public relations campaigns around strategic initiatives

(g) Finance and Planning

Current Goals	Initiatives
VI. Act as a steward for the Authority‟sshort, mid and long-term planning efforts	a) Support efforts to achieve targets set forth in the Five-Year Strategic Business Plan b) Incorporate other targeted planning efforts as an integrated component of the Strategic Business Plan c) Develop capacity for long-range planning and alternatives analysis d) Oversee Norristown High Speed Extension Study planning efforts
VII. Build a highly skilled, diversified, versatile workforce	a) Cross-train employees among departments to break down decision-making silos b) Conduct comprehensive succession planning

Fiscal Year 2015 Major Accomplishments

- **SEPTA Awarded $86.8 Million FTA Grant to Strengthen System Against Storms**
 The Authority received an $86.8 million federal grant for seven projects designed to improve the transit system's resilience to severe weather events. The resources come from the Federal Transit Administration (FTA) Emergency Relief Program, which was funded in the aftermath of Hurricane Sandy. These improvements will allow SEPTA to harden core elements of its infrastructure to protect against weather-related impacts.

- **Jefferson Station Naming Rights Contract**
 A naming rights contract between Thomas Jefferson University Hospitals and Titan, which sells advertising at SEPTA stations, on vehicles and other Authority properties. The Jefferson Station renaming is consistent with SEPTA's mandate to seek alternative sources to help pay for operating expenses.

- **New Payment Technology Program Named**
 As the highly anticipated New Payment Technology project moves through the testing phases, the future of fare collection has been named "SEPTA Key". SEPTA Key ushers in the overhaul of the Authority's outdated fare payment and collection system. Current fare instruments such as tokens, paper tickets and magnetic stripe passes will be replaced by contactless payment devices.

- **SEPTA Announces Suburban Station Technology Partnership with Verizon**
 A partnership with Verizon was established to improve customer service at Suburban Station. Additionally, revenue generated from this contract will go directly toward operating costs.

- **SEPTA Releases Annual Sustainability Report, Featuring Cycle-Transit Plan**
 In April 2015, SEPTA released its fourth Sustainability Annual Report. The report chronicles a year of progress towards SEPTA's twelve sustainability goals. This report also includes SEPTA's Cycle-Transit Plan, which emphasizes the importance and benefits of cycle integration into our multimodal system. Better integration between bicycle and transit networks is also an efficient and sustainable strategy to increase system capacity.

- **SEPTA Board approved the FY 2016 Operating and Capital Budgets**
 The SEPTA Board approved Operating and Capital Budgets for Fiscal Year 2016, the 12-month period that begins July 1, during its regular monthly meeting on May 28, 2015. The budgets provide funds for the everyday expenses of running the transit system, and to further SEPTA's capital improvement *Rebuilding for the Future* initiatives. The FY 2016 Operating Budget is $1.36 billion; The FY 2016 Capital Budget is $534.54 million.



SEPTA

Human Resources Division

(h) Human Resources

Overview

The Human Resources Division provides recruitment, training, cost effective benefits and pension programs, and manages employment law programs. The Division is charged with finding employees and helping them assimilate, grow, learn and remain productive assets to the Authority. Human Resources takes care of people from the onset of interest in the Authority until long after they leave.

Human Resources Administration

Direct the Authority's initiatives toward adding value and being responsive to the demands of a dynamic business environment. The principal areas of focus are: employee programs, quality internal customer service, organization effectiveness, training, compliance with policies and procedures and the development and implementation of initiatives based on the Strategic Business Plan, which promote our vision, mission and goals.

Employee Services

Administer the employee benefits programs, including medical, dental, prescription, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation, supplemental voluntary and flexible benefits, and Medical Department services including employee assistance program, absence management, wellness, drug testing, salary compensation, and Human Resources Information System (HRIS).

Equal Employment Opportunity/Affirmative Action/Employee Relations

Implement and promote the Authority's EEO/AA Program to address the needs of an increasingly diverse workplace. Ensure compliance with applicable policies, employment laws and regulations to prevent discrimination and harassment. Investigates complaints filed internally and externally. Handle a wide variety of employee relations and monitors the Authority's Performance Improvement Plan.

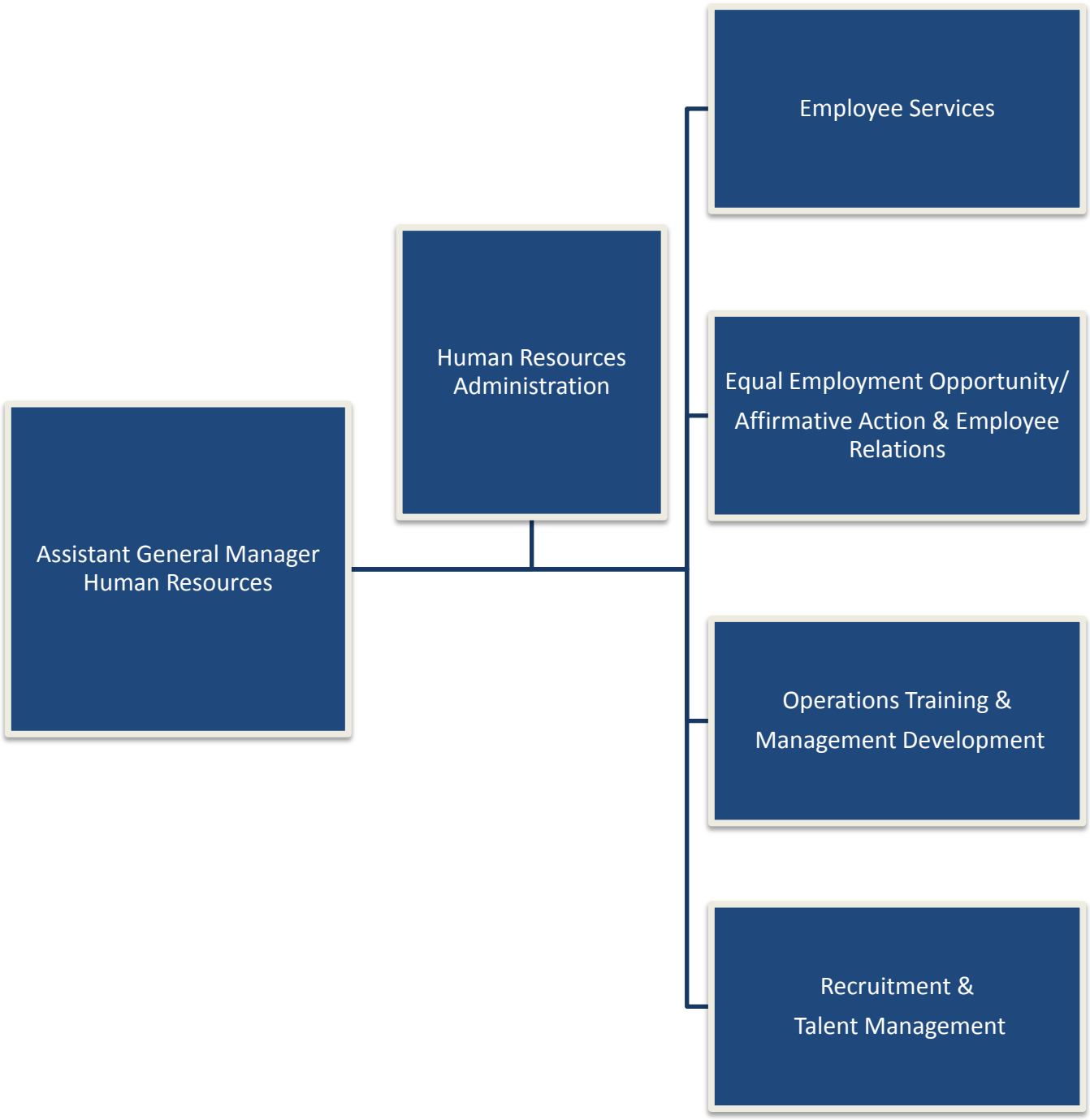
Operations Training and Management Development

Provide training and development programs to reinforce high performance. Teach new skills and retrains employees as required to ensure a comprehensive understanding of regulations, procedures, policies and skills to provide quality customer service in a safe environment. Prepare a customer-focused, multigenerational workforce to assume critical roles and responsibilities in the organization.

Recruitment and Talent Management

Direct the recruitment, hiring, testing, transferring and retention of a diverse workforce including unionized and management employees.

(h) Human Resources



(h) Human Resources

Fiscal Year 2016 Headcount

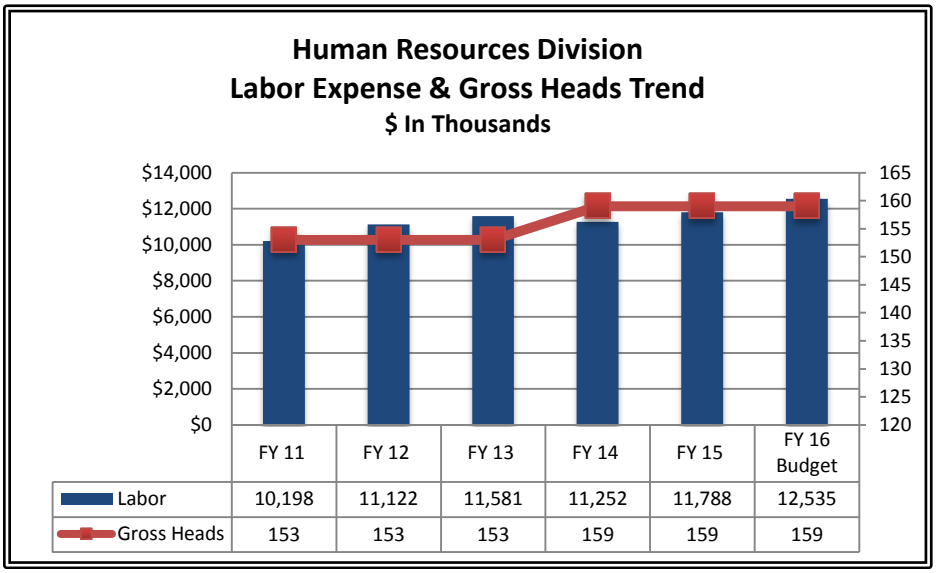
Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Employee Services	20	17	-	-	-	37
EEO/AA and Employee Relations	5	-	-	-	-	5
Human Resource Administration	5	-	-	-	-	5
Recruitment and Talent Management	14	-	-	-	-	14
Operations Training & Management Development	98	-	-	-	-	98
Total Operating Heads	**142**	**17**	**-**	**-**	**-**	**159**

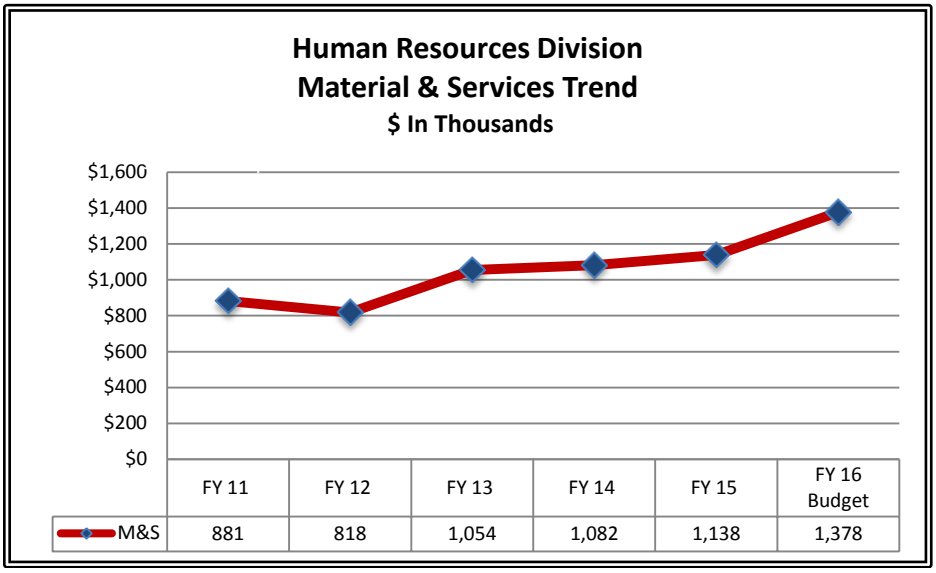
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Employee Services	-	-	-	-	-	-
EEO/AA and Employee Relations	-	-	-	-	-	-
Human Resource Administration	-	-	-	-	-	-
Recruitment and Talent Management	-	-	-	-	-	-
Operations Training & Management Development	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Employee Services	20	17	-	-	-	37
EEO/AA and Employee Relations	5	-	-	-	-	5
Human Resource Administration	5	-	-	-	-	5
Recruitment and Talent Management	14	-	-	-	-	14
Operations Training & Management Development	98	-	-	-	-	98
Total Heads	**142**	**17**	**-**	**-**	**-**	**159**

Fiscal Year 2016 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
EEO/AA and Employee Relations	$ 405	$ 13	$ 418
Employee Services	2,982	438	3,420
Human Resources Administration	621	12	633
Operations Training & Management Development	7,484	691	8,175
Recruitment and Talent Management	1,043	224	1,267
TOTAL	**$ 12,535**	**$ 1,378**	**$ 13,913**





Principal Responsibilities

HUMAN RESOURCES TEAM
The Authority's dynamic business environment requires that Human Resources be responsive by developing and implementing employee initiatives that support the business strategy.

EMPLOYEE SERVICES

Medical
Conduct drug and alcohol testing in accordance with Authority policy and U.S. Department of Transportation regulations. Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical surveillance programs (i.e. PCBs, asbestos), hearing conservation, etc. as required by the Authority. Administer the Employee Assistance Program for all employees and their dependents. Manage the Wellness Program.

Benefits
Design, negotiate and administer the benefits program, including medical, dental, prescription, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation (457B Plan), supplemental voluntary benefits and flexible benefits programs for 30,000 individuals, including employees, retirees and families. Conducts benefit orientations and information sessions concerning all employee benefits programs.

Compensation/Human Resources Information Systems
Develop, communicate and administer the compensation program for supervisory, administrative and management employees. Update information, monitor and train employees on the use of the Human Resource Information System (HRIS). Maintain files for all 9,400 employees and evaluate salaried positions, utilizing the Hay Evaluation System.

Project Management And Organization Effectiveness
Develop initiatives throughout the Authority to improve quality, service and efficiency. These projects are designed to effectuate positive change in a corporate culture through best practices, strategies and new work processes. Develop, maintain and communicate policies and updates to all employees.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION/TITLE VI AND EMPLOYEE RELATIONS (EEO/AA&ER)
Implement and promote the Authority's EEO/AA Program to address the needs of an increasingly diverse workplace. Respond to complaints of discrimination/harassment filed internally and externally. Ensure compliance with SEPTA's EEO/AA Policies and the Federal Transit Administration's (FTA) regulations. Handle a wide variety of employee relations issues.

RECRUITMENT AND TALENT MANAGEMENT
Direct and manage recruitment, hiring, testing and transferring of qualified and competent workforce ensuring equal opportunities by applying controls and compliance to applicable laws throughout the recruitment and hiring process. Continue to assure communication, documentation and a fair selection process in filling Authority vacancies.

TRAINING

Provide training programs to improve employee performance, teach new skills or retrain employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures, policies and skills to perform their assigned duties. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance and management employees.

Fiscal Year 2016 Goals and Business Initiatives

Current Goals	Initiatives
I. Implement a Succession Planning Process	a) Continue development phase for Group I participants b) Establish evaluation criteria c) Execute succession plans for all divisions d) Target goal 50 percent of vacant positions filled from AIM Succession Planning Pool by 2019 filled
II. Provide Leadership for Human Capital Development	a) Implement management transition program (AIM & Assistant Director) for developing first to second level transportation and management managers b) Review training needs throughout the Authority c) Assess targeted position's leadership and competency gaps across divisions. d) Develop a curriculum that aligns with the succession plan's key positions leadership competency gaps e) Create individual development plans including alternative learning and development opportunities f) Continue implementation of Management Development Training Programs g) Minimize labor and training costs by utilizing computer-based training programs h) Develop programs to support career development/equal employment opportunities i) Continue tuition program counseling in fields of study appropriate for career opportunities at SEPTA
III. Expand and strengthen the Authority"sstakeholder network	a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities that ensure a diverse labor force
IV. Provide leadership for Divisional Replacement Planning	a) Host monthly meeting in which current headcount levels are reported and a six month hiring plan is discussed and approved b) Alter hiring as needed to keep headcount as close as possible to the approved budgeted headcount levels

(h) Human Resources

Current Goals	Initiatives
V. Reinforce Customer Service Authority-Wide	a) Administer the employee recognition program for outstanding customer service b) Reinforce the customer focus in hiring, on passenger boarding and training processes c) Continue to improve the Customer Service Center in Human Resources to better serve employees with customer satisfaction as a priority d) Continue the Human Resources Generalist Program to assist in the achievement of Authority goals by increasing the number of HR business partners to assist on-site managers and employees
VI. Expand the Employee Wellness Program	a) Stage and implement various initiatives to improve employee health: • Weight Watchers at Work • On-site health and wellness activities • Dietician advisory • Farm to SEPTA • Walking Programs • Prevention and management programs

(h) Human Resources

Fiscal Year 2015 Major Accomplishments

- Through Recruitment & Talent Management's initiatives in working with employment applicants from AmeriCorps, the Peace Corp and related organizations, SEPTA was awarded the designation of "***Employer of National Service***". Awarded the designation of a "***Veteran Friendly Employer***" by establishing a partnership with the United States Veterans Administration.

- The Medical Department utilized Family and Medical Leave (FMLA) and sick leave data, on a weekly basis, to identify employee absence trends and their impact on authority productivity. Through regularly established meetings, the department was able to insure that health issues are aligned with Operation's goals and initiatives.

- The EEO/AA & Employee Relations Department, in collaboration with the Recruitment & Talent Management department, has developed partnerships that result in outreach to women and minority candidates across many disciplines. An emerging use of media tools and other technology has resulted in positive engagement of visible candidates to compliment SEPTA's growing diverse workforce.

- Implementation of the new SAM Pension Plan which will result in higher contributions for current employees, as well as new hires. Cost savings were recognized by converting SEPTA dental plans to self-insured plans.

- The Training Department utilized additional metrics in the development of leadership program. The metrics were provided as part of SEPTA's Key Performance Indicators (KPI), which includes components that measure the growth of female and minority employees in the Official & Managers and Professional Job Categories, through promotional and hiring efforts.

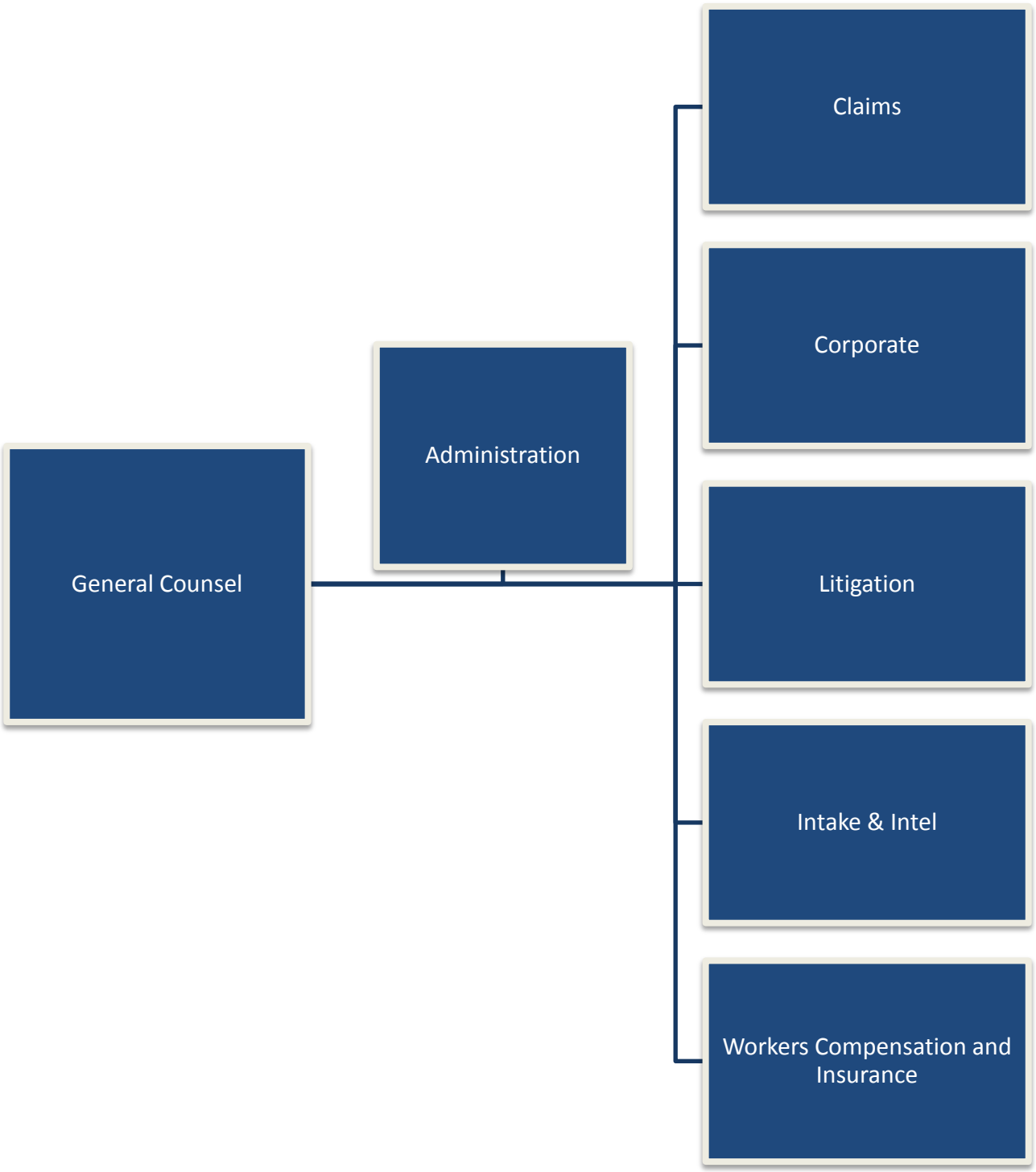


Office of General Counsel

(i) Office of General Counsel

Overview

The Office of the General Counsel Division consists of the Corporate, Intake & Intel, Litigation, Claims, Workers Compensation and Insurance Departments, all reporting to the Office of the General Counsel.



Fiscal Year 2016 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	7	-	-	-	-	7
Claims	17	12	-	-	-	29
Corporate	10	1	-	-	-	11
Litigation	32	-	-	-	-	32
Intake & Intel	17	10	-	-	-	27
Workers Compensation & Insurance	8	1	-	-	-	9
Total Operating Heads	**91**	**24**	**-**	**-**	**-**	**115**

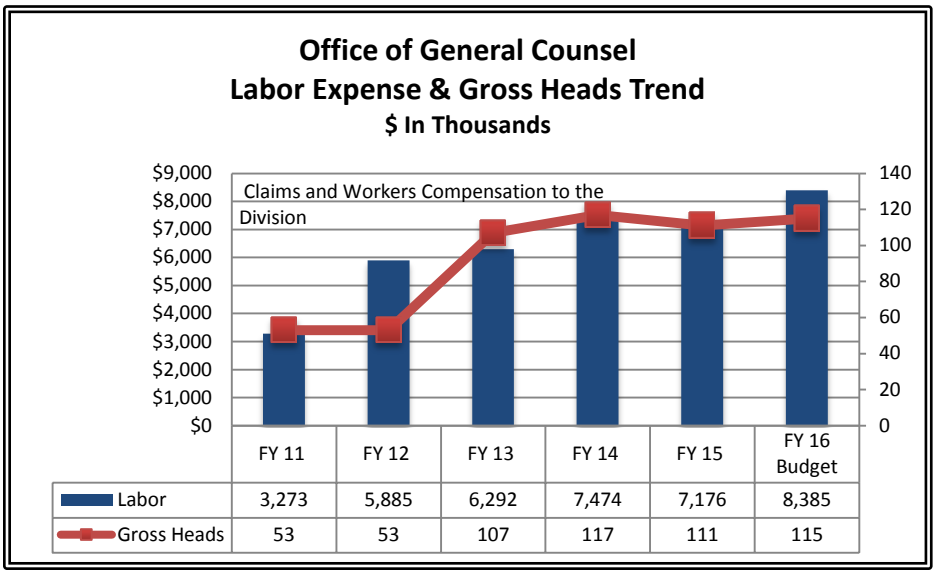
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Corporate	-	`	-	-	-	-
Litigation	-	-	-	-	-	-
Intake & Intel	-	-	-	-	-	-
Workers Compensation & Insurance	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

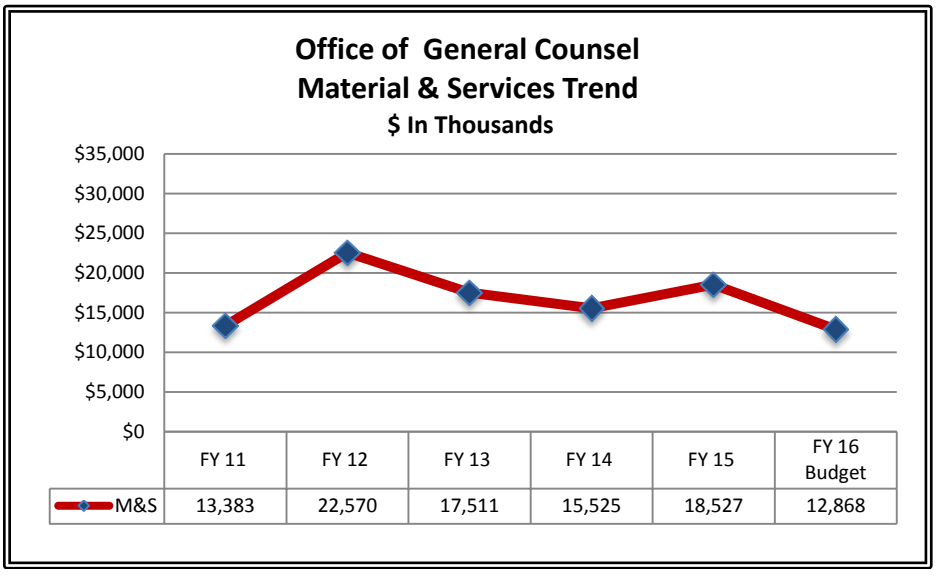
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Administration	7	-	-	-	-	7
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Intake & Intel	17	10	-	-	-	27
Workers Compensation & Insurance	8	1	-	-	-	9
Total Heads	**91**	**24**	**-**	**-**	**-**	**115**

Note: Four SAM positions were added to support expanded video surveillance assignments.

Fiscal Year 2016 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 837	$ -	$ 837
Claims	1,804	1,496	3,300
Corporate	930	6,673	7,603
Litigation	2,519	3,194	5,713
Intake & Intel	1,690	1,492	3,182
Workers Compensation & Insurance	605	13	618
TOTAL	**$ 8,385**	**$ 12,868**	**$ 21,253**





Principal Responsibilities

CORPORATE DEPARTMENT

Lawyers within the Corporate Department negotiate and draft legal contracts and other documents that support and promote the activities of client departments. Counsel advise management on matters that have legal implications, assist other departments in drafting documents that have legal-related elements, and work with outside attorneys handling matters involving specialty areas of the law. Generally, the Corporate Department is involved in legal matters related to procurements, construction, technology contracts, real estate, environmental law, energy, sustainability, railroads and property use. The Business Operations Unit within this Department is responsible for the administrative and business functions that support the OGC.

INTAKE & INTEL

This Department is responsible for performing intake function for all matter, claims and requests that come into the Office of General Counsel (OGC), seeking and compiling all information, data and records needed to handle all OGC matters, and all of the functions associated with carrying-out the Authority's video surveillance program. The video program includes planning, collecting, reviewing, preserving, storing and producing data from the expanding universe of video cameras on SEPTA vehicles and in stations. Staff also respond to and handle requests for, notification of and production of witnesses.

LITIGATION DEPARTMENT

Lawyers in the Litigation Department are responsible for the legal representation of SEPTA (both with in-house attorneys and by managing outside counsel) in the defense of and prosecution of civil actions, with the majority of cases involving personal injury and property damage, and claims under the Federal Employer's Liability Act. The Department also includes attorneys who oversee and handle right-to-know requests and corporate litigation, such as employment, first amendment, and commercial litigation.

CLAIMS

Claims Department staff handle all claims asserted against the Authority and are responsible for overseeing all of the various activities necessary to promptly investigate, evaluate and equitably resolve valid personal injury and property damage claims against the Authority, including overseeing the litigation activities as part of the overall claims handling process. The Department also assesses and collects non-litigated property damage claims brought by SEPTA against third parties.

WORKERS"COMPENSATION & INSURANCE

The Department manages SEPTA's workers' compensation program, including overseeing the third party administrator, handling medical and indemnity claims, coordinating internal vocational rehabilitation, and managing all alternative and transitional duty programs. Staff also administer supplemental benefits as prescribed by labor contracts. FELA Unit staff within the Department manage, monitor, settle and oversee litigation of claims under the Federal Employer's Liability Act. Insurance staff help to manage the Authority's exposure to risk in certain situations through the application of tools such as insurance, performance, bonds and letters of credit.

(i) Office of General Counsel

Fiscal Year 2016 Goals & Business Initiatives

	Current Goals and Initiatives
I.	Improve the management and handling of claims and lawsuits to secure settlement or judgments that are in the best interest of SEPTA
II.	Develop a long-range staffing resource plan that optimizes the headcount levels, the types and numbers of the various job titles, and the allocation and delineation of duties and responsibilities associated with claims and litigation work. Enhance and fine-tune the approach to lawsuit management decision-making
III.	Make the best use of data from cameras on vehicles and in facilities to defend and protect SEPTA in potential claims and lawsuits
IV.	Continue to monitor federal, state and city legislation that impacts the Authority
V.	Plan and prepare for future human capital resource availability and capability within the division
VI.	Together with SEPTA's Finance Division, work to optimize the impact of deregulation in the natural gas and market generation electricity industries

(i) Office of General Counsel

Fiscal Year 2015 Major Accomplishments

- Managed the process, implementation and installation of an additional 1,439 cameras into SEPTA's mobile video program, bringing our current mobile video system count to 16,525 cameras on 2,076 equipped vehicles. SEPTA's total camera count is at 18,122 when combined with our fixed video systems at stations and facilities,– *the largest video program in the country*

- Tried 22 personal injury cases to jury decisions, resulting in 20 outright wins for SEPTA and 2 verdicts against SEPTA that were for substantially less than the amounts demanded

- Reduced the total claim and lawsuit payout amount by 10% from last fiscal year

- Implemented claim and case management software program to manage over 2,000 lawsuits and 3,300 claims

- Established an Owner Controlled Insurance Program for Rebuilding for the Future under SEPTA's Capital Program. This allows SEPTA to save insurance premiums and reduce project costs

- Completed several important legal agreements, including establishment of a new City Property Transit Lease and numerous contracts needed for capital projects



SEPTA

Public and Government Affairs Division

(j) Public and Government Affairs

Overview

The Public and Government Affairs Division – comprising Government Affairs, Media Relations and Marketing – is responsible for communicating the Authority's official position on key issues, enhancing public perception, and developing campaigns that promote transit awareness and ridership growth. The Division builds and maintains strong working relationships with federal, state and local elected officials, members of the media and transit stakeholders to ensure SEPTA's priorities and message effectively reach lawmakers and the public.

Media Relations

Responsible for communicating SEPTA's official position and statements on all key Authority topics, communications with consumer and trade media and the presentation of a consistent public corporate image.

Government Affairs – State and Federal

State

Maintain continuous contact with members of the Senate and House from the five county delegation, legislative leaders and members of relevant Committees, the Administration and appropriate staff. Review and analyze all legislation and regulations introduced in both houses for potential impact on SEPTA and respond accordingly to all proposed legislation. Serve as focal point for legislative inquiries on both legislative and constituent issues. Serve as liaison with Pennsylvania Public Transportation Association (PPTA).

Federal

Work with the region's Congressional Delegation and their staffs to assure that any federal legislation proposed and/or enacted is favorable to SEPTA's interests. Respond to legislative and constituent inquiries from the federal level.

Government Affairs – Region and Community Relations

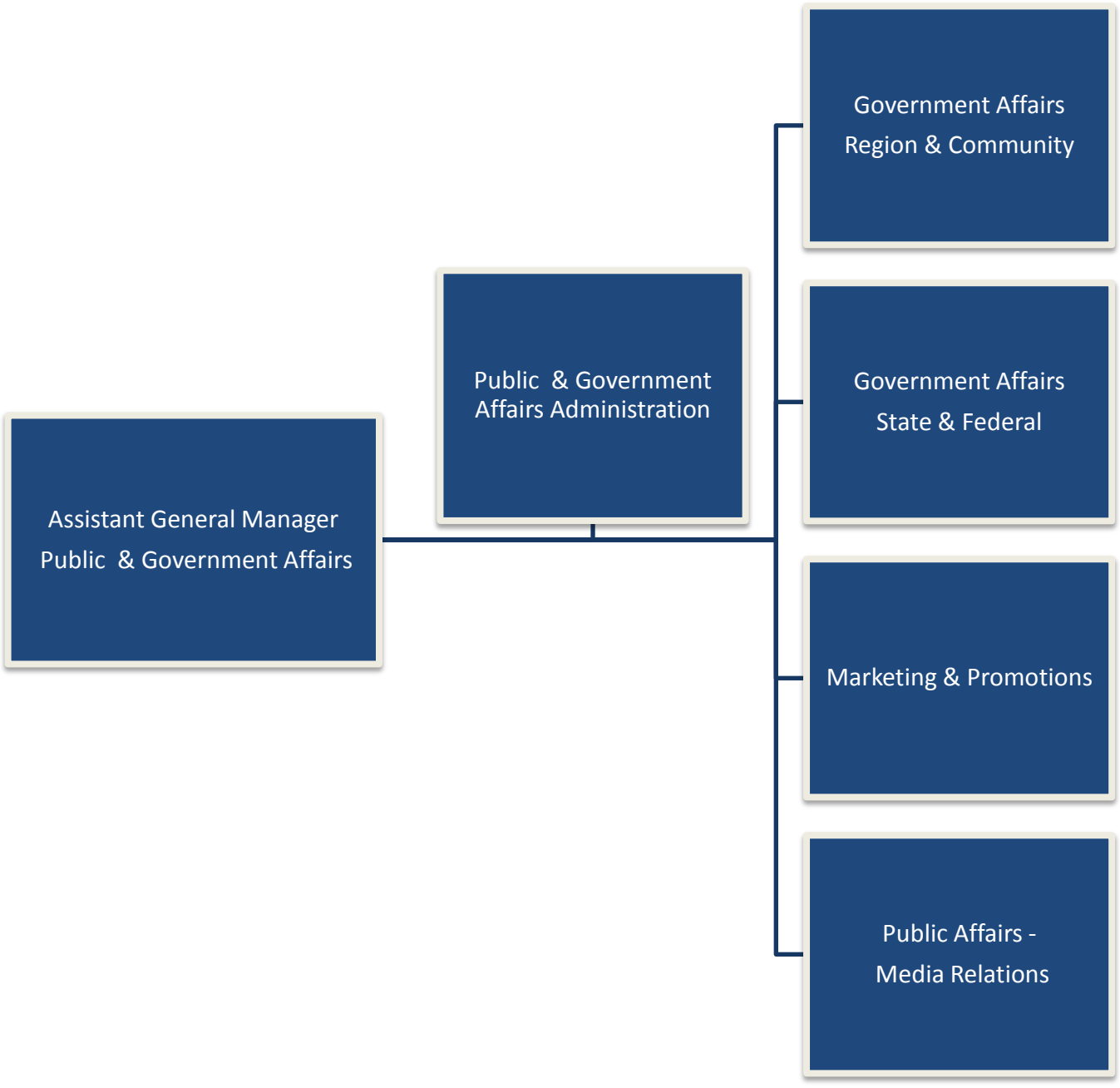
The Government Affairs and Community Relations staff works closely with local elected officials to advance transit-related initiatives and legislation in the five county service area. Activities include attending County Council and Philadelphia City Council meetings to keep abreast of legislation and maintain a rapport with local elected officials.

In addition, the Community Relations staff is proactive in its outreach in the region on SEPTA related projects and information dissemination. Responsible for responding to transit issues impacting the community on a day-to-day basis as well as participation in special events.

Marketing and Promotion

Act as central coordination for all promotional and marketing endeavors. Contracts with and administers contracts with third party agencies to target various Authority promotions which seek to maintain, develop and/or enhance ridership levels.

(j) Public and Government Affairs



(j) Public and Government Affairs

Fiscal Year 2016 Headcount

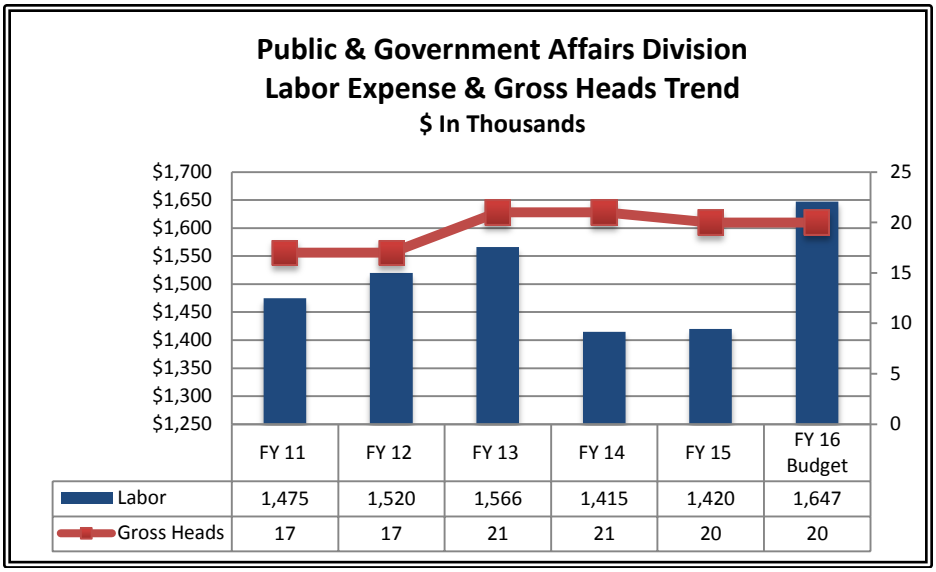
Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	2	-	-	-	-	2
Government Affairs - Region & Community	4	-	-	-	-	4
Government Affairs - State & Federal	4	-	-	-	-	4
Marketing & Promotions	5	-	-	-	-	5
Public Affairs - Media Relations	5	-	-	-	-	5
Total Operating Heads	**20**	**-**	**-**	**-**	**-**	**20**

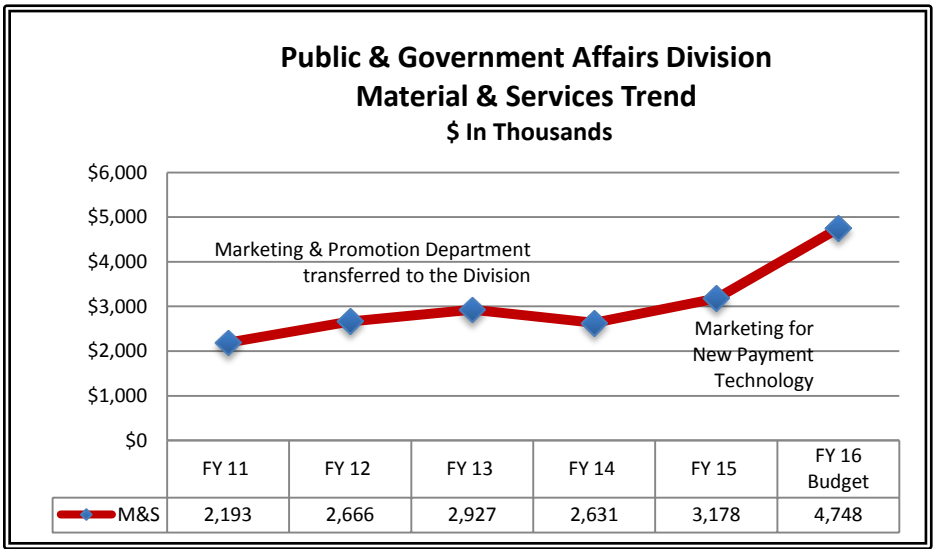
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
Government Affairs - Region & Community	-	-	-	-	-	-
Government Affairs - State & Federal	-	`	-	-	-	-
Marketing & Promotions	-	-	-	-	-	-
Public Affairs - Media Relations	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	2	-	-	-	-	2
Government Affairs - Region & Community	4	-	-	-	-	4
Government Affairs - State & Federal	4	-	-	-	-	4
Marketing & Promotions	5	-	-	-	-	5
Public Affairs - Media Relations	5	-	-	-	-	5
Total Heads	**20**	**-**	**-**	**-**	**-**	**20**

Fiscal Year 2016 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 129	$ 851	$ 980
Government Affairs - Region & Community	379	20	399
Government Affairs - State & Federal	350	21	371
Marketing and Promotion	366	3,849	4,215
Public Affairs - Media Relations	423	7	430
TOTAL	**$ 1,647**	**$ 4,748**	**$ 6,395**





(j) Public and Government Affairs

Principal Responsibilities

MEDIA RELATIONS
Development and distribution of news releases, direction of emergency response communications and generation of advocacy speeches and articles are among the communications responsibilities of this department. This department also manages and oversees other corporate and external public events such as coordinating with the Philadelphia Film office for filming on SEPTA property.

GOVERNMENT AFFAIRS – STATE AND FEDERAL

State
Maintain continuing contact with members of the Senate and House from the five county delegation, legislative leaders and members of relevant Committees, including but not limited to Appropriations and Transportation, the Administration and appropriate staff. Review and analyze all legislation and regulations introduced in both houses for potential impact on SEPTA. Notify SEPTA senior management and appropriate staff of such legislation. Serve as point of contact for legislative inquiries on both legislative and constituent issues. Serve as board member and liaison with the Pennsylvania Public Transportation Association (PPTA).

Federal
Work with the region's Congressional Delegation and their staffs and SEPTA's legislative consultants to assure that any federal legislation proposed and/or enacted is as favorable to SEPTA's interests as possible. Statutory areas of concern include but are not limited to transit reauthorizing legislation, railroad legislation, environmental legislation and disabilities law. Work with SEPTA finance staff, federal legislative consultants, and the American Public Transportation Association. Respond to legislative and constituent inquiries from the federal level.

GOVERNMENT AFFAIRS - REGION AND COMMUNITY RELATIONS

Region
The Government Affairs staff works closely with local elected officials to advance transit related initiatives and legislation in the five county service area. Activities include attending County Council and Philadelphia City Council meetings to keep abreast of legislation and maintain a rapport with the local elected officials.

Community Relations
The Community Relations staff is proactive in its outreach in the region on SEPTA related projects and information dissemination. Responsible for responding to transit issues impacting the community on a day-to-day basis as well as participation in special events.

MARKETING AND PROMOTION
Utilize all current, innovative, and cutting edge promotional avenues to deliver messages. This includes offline and online media, event marketing, strategic partnerships, social media and lifestyle.

(j) Public and Government Affairs

Fiscal Year 2016 Goals & Business Initiatives

Current Goals	Initiatives
I. Advocate for more robust funding for the Capital Program	a) Working with other transit authorities, advocate for reauthorization of the Federal Transportation Program
II. Advocate for increased funding for the largest, oldest metropolitan rail systems	a) Continue to participate with APTA and other similarly situated old rail systems to advocate for increased funding to bring systems to a state of good repair
III. Develop proactive approach to media relations	a) Create a regularly reoccurring cycle of events and outreach opportunities for media coverage b) Provide outreach to community groups and general public
IV. Promote regional awareness of SEPTA's progress	a) Communicate and promote the rider benefits of SEPTA's Key Card b) Facilitate meaningful partnerships that support the Authority's mission (s) and overall brand

(j) Public and Government Affairs

Fiscal Year 2015 Major Accomplishments

- In FY 2015, the Public and Government Affairs Division continued to focus on enhancing the public's perception of the Authority with the goal of growing ridership and reinforcing SEPTA's essential role in the regional economy. The Division supported the Authority's commitment to customer service, innovation, integration and renewal by sharing SEPTA's accomplishments and unique stories every day.

- The Division continued to build awareness of the Authority's state of good repair efforts, highlighting the tremendous success of SEPTA's "Rebuilding for the Future" capital program and the economic benefits of Pennsylvania Act 89 (2013). The Division held numerous public events with elected officials and community partners promoting SEPTA's efficient investment of state and federal funding.

- Following the November 2014 election, Government Affairs immediately initiated productive relationships with newly-elected state and federal officials. Staff continues to develop new and innovative ways to interact with and improve the Authority's relationships with the leaders who shape transportation policy.

- Working with labor, businesses and other transportation stakeholders, the Division helped organize one of the nation's largest and most prominent Stand Up for Transportation Rallies on April 9th. Members of Congress, federal and state transportation officials and supporters of transportation gathered in Dilworth Park to highlight the tremendous economic impact of our highways and transit systems and urge critical federal action and investment in our nation's infrastructure.

- Strong relationships with print, radio, television and web-based media allowed SEPTA's Public Affairs department to credibly inform the general and riding public. Social media growth, increased use of video in Public Affairs generated content and the introduction of new communication platforms enabled the Division to "tell our story" in an effective and compelling way. "Transparent" and "accessible" – the hallmarks of SEPTA's public communications continued to guide the department's efforts to advance SEPTA's most important public initiatives – SEPTA Key, World Meeting of Families and Papal Visit, Rebuilding for the Future and the 2016 Democratic National Convention.

- In FY 2015, SEPTA's Marketing Department refreshed the ISEPTAPHILLY TV spots to highlight SEPTA faces, places and modes, using real SEPTA riders and local celebrities like Ben Franklin, the Phillie Phanatic and Philadelphia Eagle Connor Barwin. The @SEPTAPhilly Twitter account was launched to support the campaign. The account grew from just a few hundred followers to over 28,000 followers in 12 months. Additionally, SEPTA's partnership with the Philadelphia Eagles directly contributed to 20 percent growth in game day ridership over the previous year.

- SEPTA's Marketing Department also renewed the Authority's loyalty program, Pass Perks, adding new perks, and launching a Facebook page to broaden its reach. During the summer of 2014, the department created a transit and digital campaign to push the launch of SEPTA's Android App, which was downloaded more than 50,000 times.

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13. Fringe Benefits

Fringe benefits are a major expense for SEPTA representing 27.5% of the Fiscal Year 2016 Operating Budget of $1.36 billion. Responsibility for management of fringe benefit costs rests with all Authority departments, however, Finance and Human Resources take the lead in cost control. Authority expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations and have been significantly influenced by national trends.

Listed below are Fringe Benefit categories:

Medical and Life Insurance
SEPTA provides medical, prescription, dental, vision and life insurance benefits for union, management employees and retirees in accordance with the labor agreements negotiated with each respective union.

Payroll Taxes
This represents the required employer contribution for Social Security (FICA) and Railroad Retirement Taxes (RRT).

Unemployment
SEPTA is required to pay into the State and Railroad unemployment compensation funds. SEPTA is self-insured for non-railroad employees.

Pension
This includes pension obligations, excluding Railroad employees who are covered by the Railroad Retirement System.

Workers"Compensation and FELA
Obligations to transit and railroad employees injured on duty for their medical bills and lost wages.

Fiscal Year 2016 Operating Budget
Fringe Benefit Expense
(Amounts in Thousands)

Medical, Prescription, Dental, Vision & Life	$	213,973
Payroll and Unemployment Taxes		68,740
Pension		90,370
Workers' Compensation and FELA		34,673
Subtotal	$	407,756
Capital Support and Projects		(33,018)
Fringe Operating Expense	**$**	**374,738**

13. Fringe Benefits

Amounts in Thousands (000's)

	Net Labor	Net Fringe Benefits	Total
Corporate Staff	$ 2,919	$ 1,795	$ 4,714
Deputy General Manager Staff	1,218	749	1,967
Administration and Finance	252	155	407
Communications	1,270	781	2,051
Labor Relations	1,103	678	1,781
New Payment Technology	116	71	187
New Payment Technology Integration	12,495	7,684	20,179
Planning, Project Coordination & Safety	167	103	270
Operations	470,742	289,472	760,214
Engineering, Maintenance and Construction	73,272	45,057	118,329
Audit and Investigative Services	1,500	922	2,422
Business Services	15,457	9,505	24,962
Customer Service and Advocacy	5,131	3,155	8,286
Finance and Planning	11,855	7,290	19,145
Human Resources	12,535	7,708	20,243
Office of General Counsel	8,385	5,156	13,541
Public and Government Affairs	1,647	1,013	2,660
SEPTA Safety	1,799	1,106	2,905
Other	(12,460)	(7,662)	(20,122)
Total	**$ 609,403**	**$ 374,738**	**$ 984,141**

13. Non-Departmental Expense

Amtrak	This expense is for the maintenance and use of Amtrak-owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli/Thorndale Line). For the first quarter of FY 16, the budget is calculated on projected miles of service using rates based on the Authority's 1982 operating agreement with Amtrak, as amended. Effective October 1, 2015, the Passenger Rail Investment & Improvement Act of 2008 (PRIIA) takes effect and the remainder of the fiscal year budget includes PRIIA mandates and cost assumptions developed by the Northeast Corridor Commission with input from SEPTA and other commuter agencies on the corridor.
ADA	The cost for paratransit carriers under contract to SEPTA is shown here. The staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is referenced in the Operations Division under Customized Community Transportation.
Shared Ride Program	The cost for contractor operated door-to-door service for senior citizens. The cost of administrative staff in the ADA program is included in the Customized Community Transportation budget.
Debt Service Interest	Interest expenses associated with the Authority's bonds.
Property and Corporate Insurance	Reflects the projected premiums for insurance on various Authority assets.
Services for 1234 Market Street	Maintenance and administrative service expense for the operation of the offices at the 1234 Market Street headquarters by a 3rd Party professional firm. These expenses cover both SEPTA and tenant-occupied space.
Snow Removal	Reflects 3rd Party contractor expense for snow removal and salting at Regional Rail parking lots and station platforms only. The snow removal for all other facilities is accomplished in-house by SEPTA forces and the related labor expense is included in the departmental budgets.
Utilities	Expense reflects the cost of Non-Propulsion Electricity, Heating Oil, Water and Sewer, Natural Gas and Steam Heat. All are based on projected rates of consumption and contractual or tariff based rates. Also included is Telephone Expense which is based on our current contractual agreements.

ADA Program

In compliance with the Americans with Disabilities Act, CCT Connect provides ADA complementary Paratransit transportation for persons who cannot use or access regular SEPTA fixed route service. Throughout SEPTA's five-county service area, private carriers are under contract with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2016 ridership is 755,000 for ADA City Division and 340,000 for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2016 will be to continue providing 100% next day rides to ADA program patrons. SEPTA is committed to maintaining a ~~"~~zero trip denial" policy.

The next-day trip initiative will build on proactive steps taken during recent years. The entire SEPTA-owned fleet of 438 vehicles is maintained to SEPTA's standards by the contract carriers. In addition, the Philadelphia trip reservation, scheduling and dispatch was centralized under SEPTA supervision – along with driver training and testing. Other programs were instituted to enhance contractor accountability and customer satisfaction, including patron service monitoring and the mobile data terminal (MDT) swipe card readers on all CCT Connect vehicles.

ADA Program initiatives continuing during Fiscal Year 2016 include the fleet replacement program for optimizing fleet reliability and an enhanced patron eligibility certification. This process will enable those CCT riders who can do so to use fixed route service for some or all of their travel – after completion of training developed in cooperation with the SEPTA Advisory Committee (SAC) and the disabled community.

Shared Ride Program

The Shared Ride Program (SRP) provides shared, advance-reservation, door-to-door transportation for Pennsylvanians age 65 and older. SEPTA's CCT Connect Department is the SRP county coordinator for Philadelphia County. The Pennsylvania Lottery Fund reimburses SEPTA for 85% of the cost of each eligible CCT Connect Shared Ride Program trip according to pre-established rates, with the balance coming from patron fares and/or third party agency sponsors. The Shared Ride Program's goal for Fiscal Year 2016 is to provide a total of 788,000 senior trips.

The Philadelphia Shared Ride Program Advisory Council (SRPAC), an independent advisory group, provides advice and information to SEPTA on Shared Ride Program service.

13. Other Operating Expenses

Claims

Fiscal Year 2016 claims expense is budgeted at $31.2 million. Staff from the Authority's Office of the General Counsel Division, with support throughout the organization, aggressively defend against fraudulent claims. The Authority cooperates with various outside agencies, including the City of Philadelphia and Suburban Counties District Attorney's offices, in this matter.

Other Expenses

The Other Expenses category includes propulsion power, fuel, vehicle and facility rentals and depreciation. A further description of these items can be found in the Operating Expense Section.

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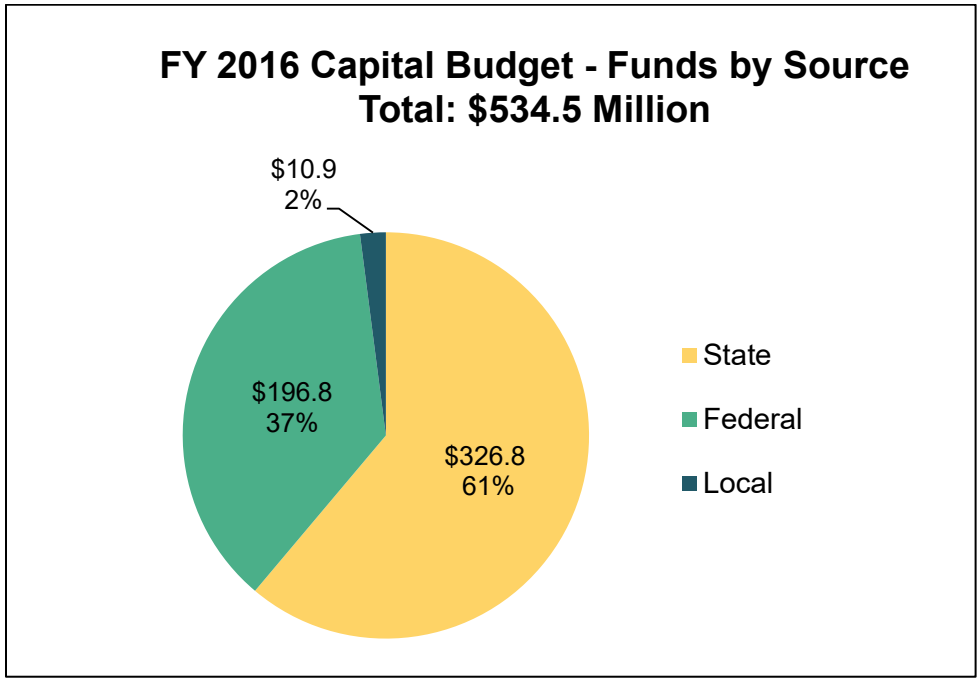
Summary of Capital Improvement Program

Capital Sources of Funds

Sources of capital funds included in the FY 2016 Capital Budget are projected as follows:

- **$326.8 million** in state capital funds, primarily via Section 1514, the Asset Improvement Program
- **$172.1 million** from the Federal Transit Administration via the Section 5307, 5340, 5337 and 5339 formula programs
- **$17.1 million** in Federal Highway Flexible Funds, based on SEPTA's anticipated share of the regional flexible funds that are flexed to transit operators
- **$5.1 million** in Congestion Mitigation funding related to the reconstruction of I-95, to be provided by the Commonwealth to increase Regional Rail capacity
- **$2.5 million** from the U.S. Department of Homeland Security based on SEPTA's anticipated share of Fiscal Year 2015 Transit Security Grant Program funds; and
- **$10.9 million** in local matching funds from the City of Philadelphia and Bucks, Chester, Delaware, and Montgomery Counties. Local matching funds are required for federal and state capital grants.

In September 2014, SEPTA received $86.8 million in funding from the FTA's ~~"~~Resilience Projects in Response to Hurricane Sandy" competitive grant program. This represents a 75% share of SEPTA's total Resilience Program cost for seven projects of $115.7 million.



Fiscal Year 2016 Capital Budget (In Millions)

Capital Programs	FY 2016
Bridge Improvements	$ 48.00
Communications, Signal Systems and Technology Improvements	33.54
Infrastructure Safety Renewal Program	35.50
Maintenance/Transportation Shops and Offices	25.66
New Payment Technologies	45.00
Safety & Security Improvements	20.00
Service Restorations	1.00
Stations, Loops and Parking Improvements	47.00
Substations and Power Improvements	17.50
Track and Right-of-Way Improvements	15.00
Vehicle Acquisitions and Overhauls	160.47
Subtotal Capital Programs	**$ 448.67**
Financial Obligations	
Capital Leases	34.72
Debt Service	51.15
Total Capital Budget	**$ 534.54**

Fiscal Year 2017-2020 Capital Program (In Millions)

Capital Programs	FY 2017	FY 2018	FY 2019	FY 2020
Bridge Improvements	$ 17.61	$ 13.00	$ 20.00	$ 10.00
Communications, Signal Systems and Technology Improvements	17.12	16.15	24.66	19.78
Infrastructure Safety and Renewal Program	35.50	35.50	35.50	35.50
Maintenance/Transportation Shops and Offices	10.00	9.00	15.00	10.00
New Payment Technologies	82.00	74.64	-	-
Safety & Security Improvements	12.00	10.00	10.00	10.00
Service Restorations	2.00	12.50	30.00	31.99
Stations, Loops and Parking Improvements	48.00	48.00	60.00	45.00
Substations and Power Improvements	15.00	13.50	20.00	15.00
Track and Right-of-Way Improvements	10.00	4.00	5.00	5.00
Vehicle Acquisitions and Overhauls	199.00	237.58	248.58	294.69
Subtotal Capital Programs	**$ 448.23**	**$ 473.87**	**$ 468.74**	**$ 476.96**
Financial Obligations				
Capital Leases	39.88	45.06	50.24	52.33
Debt Service and Capital Leases	51.09	51.00	50.95	43.30
Subtotal Financial Obligations	**$ 90.97**	**$ 96.06**	**$ 101.19**	**$ 95.63**
Total Capital Budget	**$ 539.20**	**$ 569.93**	**$ 569.93**	**$ 572.59**

14. Capital Improvement Program

FY 2016 CAPITAL BUDGET AND FY 2016-2027 CAPITAL PROGRAM

Capital Programs / Financial Obligations	Prior Funding	Budget Year FY 16	Program Years FY 17	FY 18	FY 19	FY 20	FY 2021-2027	12-Year Program Total	Beyond FY 2027	Total Budget
	$Millions									
Capital Programs										
Bridge Program	$43.33	$48.00	$17.61	$13.00	$20.00	$10.00	$123.57	$232.18	$65.16	$340.67
Communications, Signal Systems and Technology Improvements	$40.56	$33.54	$17.12	$16.15	$24.66	$19.78	$119.35	$230.60	$14.39	$285.55
Infrastructure Safety Renewal Program	$0.00	$35.50	$35.50	$35.50	$35.50	$35.50	$248.50	$426.00	$0.00	$426.00
Maintenance/Transportation Shops and Offices	$34.60	$25.66	$10.00	$9.00	$15.00	$10.00	$95.00	$164.66	$104.13	$303.39
New Payment Technologies - SEPTA Key	$25.36	$45.00	$82.00	$74.64	$0.00	$0.00	$0.00	$201.64	$0.00	$227.00
Safety and Security Improvements	$0.00	$20.00	$12.00	$10.00	$10.00	$10.00	$100.00	$162.00	$0.00	$162.00
Service Restorations	$11.65	$1.00	$2.00	$12.50	$30.00	$31.99	$17.86	$95.35	$0.00	$107.00
Stations, Loops and Parking Improvements	$177.58	$47.00	$48.00	$48.00	$60.00	$45.00	$539.23	$787.23	$168.09	$1,132.90
Substations and Power Improvements	$36.50	$17.50	$15.00	$13.50	$20.00	$15.00	$134.95	$215.95	$129.63	$382.08
Track and Right-of-Way Improvements	$11.40	$15.00	$10.00	$4.00	$5.00	$5.00	$51.00	$90.00	$51.95	$153.35
Vehicle Acquisitions and Overhauls	$276.20	$160.47	$199.00	$237.58	$248.58	$294.69	$1,957.87	$3,098.19	$909.32	$4,283.71
Subtotal Capital Programs	**$657.18**	**$448.67**	**$448.23**	**$473.87**	**$468.74**	**$476.96**	**$3,387.33**	**$5,703.80**	**$1,442.67**	**$7,803.65**
Financial Obligations										
Capital Leases	$0.00	$34.72	$39.88	$45.06	$50.24	$52.33	$396.10	$618.33	$0.00	$618.33
Debt Service	$0.00	$51.15	$51.09	$51.00	$50.95	$43.30	$224.65	$472.14	$17.10	$489.24
Total Capital Budget	**$657.18**	**$534.54**	**$539.20**	**$569.93**	**$569.93**	**$572.59**	**$4,008.08**	**$6,794.27**	**$1,459.77**	**$8,911.22**

Capital Projects Impact Analysis on Operating Budget FY 2016 – FY 2021

	Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands					
Capital Projects and Description of Impacts	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
Hybrid Bus Purchase Program	**$2,409**	**$3,198**	**$3,198**	**$3,198**	**$3,198**	**$3,198**
In 2002, SEPTA began purchasing hybrid diesel-electric buses designed to reduce fuel consumption, increase fuel efficiency, and reduce SEPTA's carbon footprint through lower emissions. SEPTA's current bus purchase program will add 275 new hybrid buses by the end of FY 2016. Since 2007, SEPTA"sdiesel fuel consumption has been reduced by almost 13 percent, resulting in significant fuel cost savings. Additional savings will be generated as the hybrid fleet grows. Additionally, SEPTA anticipates generating new revenue through the sale of emissions credits starting in FY 2017. SEPTA is actively pursuing revenue credits to extend the financial benefits of environmentally preferred on-road transit vehicles. Trackless trolleys and hybrid buses produce environmental value that can be monetized in credit markets, helping to offset the additional upfront costs associated with the technology. SEPTA has identified two revenue credit markets in which its vehicles may be eligible for participation: the RINS Market for Trackless Trolleys and the MERC Market for Hybrid Buses.						
Wayside Energy Storage Program Buildout	**$350**	**$700**	**$700**	**$700**	**$700**	**$700**
SEPTA is advancing a partnership project with Viridity Energy and Constellation NewEnergy, Inc. to install 10 MW of batteries to capture, store, and reuse energy created by the regenerative braking systems on the Market-Frankford Line and Broad Street Line cars. The proposed buildout, designed based on 2 megawatt (MW) pilot units on the Market-Frankford Line, could generate close to $700,000 per year in energy savings and new revenue for SEPTA. Installation is anticipated over the course of FY 2016.						
ESCO Facility Retrofits	**$250**	**$300**	**$350**	**$400**	**$450**	**$500**
In FY 2015, SEPTA completed an investment grade energy audit of five major facilities (Berridge, Courtland, Fern Rock, Germantown, Southern) with energy savings company (ESCO) Constellation Energy. The energy audit identified more than $20 million in energy savings retrofit capital projects, generating energy savings that will pay for the projects over a period of 15 years. The project is expected to be cash flow positive and generate increasing economic returns as energy prices rise in the future.						
Locomotive Re-Power Program	**$14**	**$36**	**$36**	**$36**	**$36**	**$36**
SEPTA is in the midst of repowering two of its diesel-powered maintenance locomotives. Funded by two competitively awarded federal grants, the repower projects will reduce fuel consumption and improve air quality by utilizing state-of-the-art technology to synchronize power output and demand. Assuming a 40 percent reduction in diesel fuel consumption (based on GenSet technology or equivalent), this project will reduce diesel fuel consumption by 12,556 gallons annually (6,278 each).						

Capital Projects Impact Analysis on Operating Budget FY 2016 – FY 2021

	Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands					
Capital Projects and Description of Impacts	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
Midvale Combined Heat & Power (CHP) Plant	**$0**	**$0**	**$500**	**$550**	**$600**	**$650**
SEPTA is pursuing an 8.6 MW combined heat and power (CHP) plant at the Midvale Complex in North Philadelphia to provide base load propulsion power to SEPTA"s Regional Rail system at the Wayne Junction Substation as well as heating load for the surrounding facilities. SEPTA expects to execute a finance, design, build, own, operate, and maintain contract with a third-party developer under the Pennsylvania Guaranteed Energy Savings Act (GESA). The project is expected to be cash flow positive and generate increasing economic returns as energy prices rise in the future.						
LED Conversion Projects	**$82**	**$108**	**$132**	**$163**	**$192**	**$196**
SEPTA is currently retrofitting rail cars with Light Emitting Diode (LED) lighting, reducing ongoing labor and material expenses while improving energy efficiency and the customer experience. Conversion of the Market-Frankford Line cars with the new fixtures is already underway; retrofits of the Broad Street Line and Norristown High Speed Line cars are also planned. The Authority is also retrofitting maintenance facilities with LED lighting, which reduces energy use. In addition to benefiting from lower energy expenses, SEPTA has also received rebates from PECO via the Smart Ideas energy efficiency programs associated with Pennsylvania Act 129.						
Recycling Program	**$151**	**$151**	**$151**	**$151**	**$151**	**$151**
SEPTA began tracking municipal solid waste diversion – a measure of recycled tons to total tons of waste – in 2011. Since then SEPTA has consistently improved diversion, and as a result, increased waste disposal savings. The success of the program can be largely credited to employee engagement and an expanded internal recycling program at maintenance facilities and depots. In the future SEPTA hopes to improve the recycling program at passenger stations, where new recycling receptacles are being installed, including140 receptacles already on the Market-Frankford Line. Recycling program improvements will not only improve diversion but a will also result in increased waste disposal savings.						
Video Surveillance	**$15,500**	**$15,500**	**$15,500**	**$15,500**	**$15,500**	**$15,500**
SEPTA has purchased and installed more than 13,000 cameras on vehicles and at stations. These cameras have been used in conjunction with a partnership between SEPTA and the City of Philadelphia District Attorney's Office to reduce fraudulent claims on the system. Between 2012 and 2015, SEPTA's payouts on legal claims dropped from $43 million in 2012 to $27.5 million in 2015. Total claims and lawsuits have dropped by similar margins, suggesting that the savings will continue to accrue in future years.						

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Glossary of Acronyms

A
ADA - The Americans with Disabilities Act of 1990
AGM - Assistant General Manager
AIRS - Automated Itinerary and Reporting System
APTA - American Public Transportation Association
ARRA - American Recovery and Reinvestment Act of 2009
ATDS - Automated Train and Crew Dispatch System
AVL - Automatic Vehicle Locator.

B
B-IV Car - Heavy Rail Vehicle used on the Broad Street Subway
BMWE - Brotherhood of Maintenance of Way Employees
BRC - Brotherhood of Railway Carmen
BRS - Brotherhood of Railway Signalmen
BSL - Broad Street Line
BSS - Broad Street Subway

C
CARD - Computer Aided Radio Dispatch
CCT Connect- Customized Community Transportation Services
COBRA - Consolidated Omnibus Budget Reconciliation Act
CSX - CSX Corporation, a freight railroad and transportation company
CTD - City Transit Division

D
DGM – Deputy General Manager
DBE - Disadvantaged Business Enterprise
DVRPC - Delaware Valley Regional Planning Commission

E
EMU - Electric Multiple Unit
EEO/AA - Equal Employment Opportunity / Affirmative Action
ERM - Enterprise Risk Management

F
FELA - Federal Employers' Liability Act
FHWA – Federal Highway Administration
FICA - Federal Insurance Contributions Act
FLSA - Fair Labor Standards Act
FMLA - Family and Medical Leave Act
FOTP - Fraternal Order of Transit Police
FRA –Federal Railroad Administration
FRT - Frontier Division
FTA - Federal Transit Administration
FTC - Frankford Transportation Center
FTE - Full-Time Equivalent Position

G
GASB – Government Accounting Standards Board
GFOA – Government Finance Officers Association
GIS - Geographic Information System
GM - General Manager.

H
HIPAA - Health Insurance Portability and Accountability Act of 1996
HRIS - Human Resources Information System
HRSC - Human Resources Service Center
HVAC – Heating, Ventilation and Air Conditioning Systems

I
IAMAW - International Association of Machinists and Aerospace Workers
IBEW - International Brotherhood of Electrical Workers
IBT Local 500 - International Brotherhood of Teamsters Local 500
ITS - Intelligent Transportation Systems
ISRP - Infrastructure Safety Renewal Program

J
JARC - Job Access and Reverse Commute Program
JHSC - Joint Health and Safety Committee

L
LRV - Light Rail Vehicle
LSC - Location Safety Committee
LUCY - Loop Through University City.

M
MDBE - Minority or Disadvantaged Business Enterprise
MDBF - Mean Distance Between Failures
MDT - Mobile Data Terminal
M-IV - Heavy Rail Vehicle used on the Market-Frankford Subway-Elevated Line
MPC - Management Planning and Control Operating Budget Software
MPO - Metropolitan Planning Organization
MFSE - Market-Frankford Subway-Elevated
MSHL - Media-Sharon Hill Line

N
N5 Car - Rail Vehicle used on the Norristown High Speed Line
NHSL - Norristown High Speed Line
NJT - New Jersey Transit
NPT – New Payment Technology
NTP – Notice to Proceed

O
OEM - Original Equipment Manufacturer

P
PCC Car – President's Conference Committee streetcar or trolley
PIP - Performance Improvement Program
PLRB - Pennsylvania Labor Relations Board
PPTA - Pennsylvania Public Transportation Association

R
RFP - Request for Proposal
RRD - Regional Railroad Division
RRT - Railroad Retirement Taxes
RSA - Route Schedule Adherence

S
SAC - SEPTA Advisory Committee For Accessible Transportation
SAFETEA-LU - Safe, Accountable, Flexible, Efficient Transportation Equity Act
SAM – Supervisory, Administrative and Management
SBA - Special Board of Adjustment
SDBE - Small or Disadvantaged Business Enterprise
SDBU - Small and Disadvantaged Business Utilization
SEPTA - Southeastern Pennsylvania Transportation Authority
SMART - UTU 61 - United Transportation Union Local 61 – Conductors and Assistant Conductors

SMWIA - Sheet Metal Workers International Association
SRP - Shared Ride Program
SRPAC - Shared Ride Program Advisory Council
SPP - Subsidy Per Passenger
SSPP - System Safety Program Plan
STD - Suburban Transit Division is a combination of Victory and Frontier Divisions

T
TCRP - Transit Cooperative Research Program
TCU - Transportation Communication International Union
TIP - Transportation Improvement Program
TEA-21 - The Transportation Equity Act for the 21st Century
TMA - Transportation Management Association
TPC - Transport Workers Union Local 234, Trenton-Philadelphia Coach Division
TWU Local 234 - Transport Workers Union Local 234
TWU Local 290 - Transport Workers Union Local 29
TWU 2013 - Transport Workers Union Local 2013

U
UCP - PA Unified Certification Program

UTU Local 1594 - United Transportation Union Local 1594 – Victory Division Operators

V
VIC - Victory Division
VMIS - Vehicle Maintenance Information System
VOH - Vehicle Overhaul Program

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Americans with Disabilities Act of 1990 - This federal act requires many changes to transit vehicles, operations and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

Accessible - As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accessible Service - A term used to describe service that is accessible to non-ambulatory riders with disabilities. This includes fixed-route bus service with wheelchair lifts or ADA Paratransit service with wheelchair lift equipped vehicles.

Accrual Basis - A basis of accounting in which expenses are recognized at the time they are incurred and revenue is recognized when earned, as opposed to disbursed or received.

ADA Paratransit Service - In accordance with the Americans with Disabilities Act (ADA), SEPTA provides comparable service for people with disabilities who are functionally unable to use regular accessible fixed-route bus service for some or all of their transportation needs. Eligible individuals can travel whenever and wherever buses operate in SEPTA's five-county service region. See also ~~"C~~CT Connect".

Amtrak - Service Mark of the National Railroad Passenger Corporation and subsidiaries. Primarily provides nationwide intercity passenger railroad service.

B

Balanced Budget - A budget in which expected revenues equal expected expenses during a fiscal period SEPTA's enabling legislation requires the Board of Directors to adopt a balanced budget before the beginning of each fiscal year.

Blue Line - See ~~"M~~arket-Frankford Subway-Elevated"

Broad Street Line - A rapid transit subway running under Philadelphia's main north-south street. The Broad Street Subway opened in 1928 with several extensions over the years. A spur under Ridge Avenue to 8th and Market Streets opened in 1932. Also referred to as the BSL, BSS and ~~"O~~range Line".

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenditures for the budget period.

Bus - A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways. Vehicles are powered by diesel, gasoline, battery or alternative fuel engines contained within the vehicle.

C

Capital Expenditure - Expenses that acquire, improve, or extend the useful life of any item with an expected life of three or more years and a value of more than $5,000, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.

Car-Mile - A single mile traveled by either a single vehicle or a single rail car in a multiple car consist.

CCT Connect - SEPTA Customized Community Transportation (CCT) provides paratransit service — CCT Connect — to individuals with disabilities and senior citizens. In addition, SEPTA's bus fleet is 100% accessible.

CMAQ (Congestion Mitigation/Air Quality) Program - A federal grant program in which FHWA funds are transferred to FTA for transit projects designed to improve air quality and reduce traffic congestion.

Commuter Rail - Local and regional passenger train operations between a central city, its suburbs and/or another central city. It may be either locomotive-hauled or self-propelled, and is characterized by multi-trip tickets, specific station-to-station fares, railroad employment practices and usually only one or two stations in the central business district. Also referred to locally as Railroad, Regional Rail and RRD.

Contributed Capital - Reflects capital grants received for the acquisition of fixed assets. Assets acquired with grants are depreciated over the estimated life of the applicable asset. Contributed Capital is reduced by the amount of applicable depreciation amount.

Cost Per Mile - Operating expense divided by vehicle miles for a particular program or in total.

Cost Per Passenger - Operating expense divided by ridership for a particular program or in total.

D

Deadhead - The miles and hours that a vehicle travels when out of revenue service. Deadhead includes leaving or returning to the garage or yard facility; or changing routes and when there is no expectation of carrying revenue passengers. However, deadhead does not include charter service, operator training or maintenance training.

Debt Service - The payment of interest on and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

Deficit - The amount by which revenue and subsidy falls short of expenses during a given accounting period.

Delaware Valley Regional Planning Commission - The area-wide agency, or Metropolitan Planning Organization (MPO), charged with the conduct of the urban transportation planning process. It is also the single, region-wide recipient of Federal funds for transportation planning purposes. Together with the state, it carries out the planning and programming activities necessary for Federal capital funding assistance. The MPO is designated by agreement among the various units of local government and the governor.

Depreciation and Amortization - The charges that reflect the loss in service value of the transit agency's assets. Depreciated items have a high initial cost and a useful life of more than one accounting period. In order to account for the reduction in value (usefulness) of this type of asset, a portion of the cost is expensed each year of the asset's life.

E

Enterprise Funds - Funds to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

F

Farebox Revenue - Revenues obtained from passengers and other fare subsidies except the state reduced fare subsidy program. Also referred to as Passenger Revenue.

Fares - The amount charged to passengers for use of various services.

Fiscal Year - SEPTA's fiscal year runs from July 1 through June 30.

Fixed Guideway - A mass transportation facility using and occupying a separate right-of-way or rail for the exclusive use of mass transportation and other high occupancy vehicles; or using a fixed catenary system useable by other forms of transportation.

Fixed Route Service - Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand responsive and taxicabs.

Flexible Funds - Federal funds made available by MAP-21 that can be used for various transportation projects, including both highway and mass transit projects. Allocation of these funds is at the discretion of regional Metropolitan Planning Organizations (MPOs) and state governments.

Federal Transit Administration - The FTA is the federal agency which provides financial assistance to cities and communities to provide mobility to their citizens.

Fringe Benefits - Payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments or accruals direct to an employee arising from something other than the performance of a duty. These payments are costs over and above ~~"l~~labor" costs, but still arising from the employment relationship.

Full-Time Equivalent Position (FTE) - A measurement equal to one staff person working a full schedule for one year.

Fully Allocated Costs - The distribution of operating expenses to each mode by type of service and function. Fully allocated costs account for all direct costs plus the assignment of any joint or shared expenses.

Funding Formula - A specific formula used to determine a subsidy level.

G

Government Finance Officers Association Mission Statement (GFOA)

The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Green Line - See "Subway-Surface Lines"

H

Headquarters Allocation - A method used to allocate the costs associated with operation and administration of SEPTA's headquarters division to the other four operating divisions.

Headway - Time interval between vehicles moving in the same direction on a particular fixed route.

Heavy Rail - A transit mode that is an electric railway with the capacity for a heavy volume of traffic It is characterized by high speed and rapid acceleration passenger rail cars operating individually or in multi-car trains on fixed rails; separate rights-of-way from which all other vehicular and foot traffic are excluded; sophisticated signaling, and high platform loading.

Heavy Rail Cars - Rail cars with motive capability, driven by electric power taken from overhead lines or third rails, configured for passenger traffic and usually operated on exclusive rights-of-way.

Hybrid Bus - A bus that is powered by a combination of electricity and diesel, gasoline or alternative fuel.

I

Infrastructure - The physical assets of the Authority, e.g., rail lines and yards, power distribution, signaling, switching, and communications equipment, passenger stations, information systems, and roadways, upon which the continuance and growth of transit depend.

Intelligent Transportation Systems (ITS) - The application of advanced sensor, computer, electronics, and communication technologies and management strategies in an integrated manner to increase the safety and efficiency of the surface transportation system. ITS is a national effort designed to promote the use of advanced technologies in multimodal transportation.

Interest Expense - The charges for the use of borrowed capital incurred by the transit agency, including interest on long term and short term debt obligations.

L

Leases and Rentals - The payments for the use of capital assets not owned by the transit agency.

Light Rail - A transit mode that typically is an electric railway with a lighter volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually

or in short, usually two car trains on fixed rails on shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

Light Rail Car - A rail car with motive capability, usually driven by electric power taken from overhead lines, configured for passenger traffic and usually operating on non-exclusive right-of-way. Also known as ~~"s~~streetcar," ~~"t~~rolley car" and ~~"t~~rolley".

Linked Trip - A single, one-way trip without regard for the number of vehicles boarded to make the trip (i.e., a home-to work trip taken by boarding a bus, to a train, to another bus represents one linked trip or three unlinked trips).

M

Market-Frankford Subway-Elevated - The Market-Frankford Line runs on an elevated guideway from the Frankford Transportation Center in Northeast Philadelphia, through Center City Philadelphia as a subway, and continuing on an elevated guideway above Market Street in West Philadelphia into 69th Street Terminal in Upper Darby, Delaware County. Also referred to as the Market Street Elevated (MSE), MFSE and ~~"B~~lue Line"

Mean Distance Between Failure – A measure of vehicle availability and reliability, equal to the average distance between failures for all vehicles within a particular mode.

N

Net Assets - Total assets minus total liabilities of the Authority. Used in SEPTA's annual financial statements.

Non-Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is not in revenue service (i.e., picking up and/or dropping off passengers).

O

Operating Assistance - Financial assistance for transit operations (as opposed to capital) expenditures.

Operating Budget - The planning of revenues and expenses for a given period of time to maintain daily operations.

Operating Ratio - Operating revenue divided by operating expense. For this purpose, the Commonwealth has defined operating revenue to include Passenger Revenue, Shared Ride program revenue, Investment Income, Other Income and Route Guarantees. Also for this purpose, the Commonwealth excludes Depreciation from operating expenses.

Orange Line – See ~~"B~~road Street Line"

P

Passenger Miles - The cumulative sum of the distance ridden by each passenger.

Public Transportation - As defined in the Federal Transit Act, transportation provided by bus or rail, or other conveyance, either publicly or privately owned, providing to the public general or

special service (but not including school buses or charter or sightseeing service) on a regular continuing basis. Public transportation is also synonymous with the terms mass transportation and transit.

R

Revenue Car Mile or Revenue Vehicle Mile - A single mile traveled by one car (or vehicle) during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Reverse Commute - City to suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership - Each passenger counted each time that person boards a vehicle. See also unlinked passenger trips.

Rider Report Card - This Customer Satisfaction Survey is an annual survey and associated report conducted by SEPTA in the fall of each year. More than 3,000 fifteen minute interviews are conducted with riders and non-riders in the SEPTA operating region, covering 22 service delivery attributes. The associated reports are generated with 95% confidence and have been in use to track SEPTA service delivery for six years.

Rolling Stock - Public transportation vehicles including commuter rail cars, locomotives, rapid transit cars, light rail cars, trolleybuses, buses, and vans.

Route Mile - A one-mile segment of a given fixed route in a fixed route network.

S

Shared-Ride Program - The Shared-Ride program is a door-to-door, advance-reservation, ride-sharing service, offered to senior citizens 65 years of age and residents of Philadelphia. This service can be used to travel within the City of Philadelphia and to any location in the surrounding counties within three miles of the City's border. Pennsylvania's Lottery Fund contributes to the cost of operating this program.

Silverliner - A multiple unit self-propelled railroad passenger car, powered by electricity collected from overhead catenary wires. The Silverliner fleet was acquired over time and currently consists of two vehicle types—Silverliner IV and V. These railroad cars feature stainless steel construction and represent the majority of SEPTA's railroad fleet.

Streetcar - See ~~T~~rolley"

Subsidy - Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

Subway-Surface Lines - A combination of five trolley lines serving various neighborhoods in West Philadelphia or nearby suburban communities above ground, reaching Center City Philadelphia through a subway tunnel partially shared with the Market-Frankford Line.

Surplus - The amount by which revenue and subsidy exceeds total expenses during a given accounting period.

T

Total Vehicle Miles - The sum of all miles operating by passenger vehicles, including mileage when no passengers are carried.

Trackless Trolley - See ―Trolleybus"

Trapeze - Software utilized by SEPTA for scheduling and management of transportation operations.

Trolley - A powered rail car, usually driven by electric power drawn from overhead wires via a trolley pole or pantograph. The vehicle usually operates on shared rights-of-way. Also known as ―trolley car," ―streetcar" and ―light rail car".

Trolleybus - An electric, rubber-tired transit vehicle, manually steered, propelled by a motor drawing current through overhead wires from a central power source not on board the vehicle. Also known locally as ―Trackless Trolley" or ―Trolley Coach."